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Military Review

WHEN THE western-front offensive against the Roer line opened, the German commentators and communiqués seemed more disturbed about what was happening on the flanks of the Eifel range than about the main blow delivered by the First and the new Fifteenth Armies. The reason for that apprehension became clear last week. Patton broke through, and the whole Nazi plan for the defense of the west collapsed. Far more dismaying than the actual loss of men and territory, it collapsed among clear indications of morale disintegrating toward the point where the command can no longer count upon its orders being executed. When an army reaches this state, it is not far from the finish; and the case of the Germans is rendered infinitely worse by the fact that in its first severe test the Volkssturm has proved utterly incompetent to gain even the small amount of time that was asked of it.

All the evidence still points to the idea that the Germans expected General Hodges' attack and prepared to discount it by a fading defense along the Roer, with the retention of bridgeheads at Cologne, Bonn and probably Wesel. Before these three cities von Rundstedt used almost all his small store of practically irreplaceable armor. He managed an adroit and successful retreat from the Roermond-Venlo area; and if the American Ninth got into München-Gladbach a little earlier than the plan called for and took a few more prisoners than the Nazis were willing to concede, the losses were mostly in expendable Volkssturm formations. The Nazi marshal could congratulate himself that even though something had been lost that Germany could ill afford to lose, he had successfully imposed his own plan upon the situation.

Then Patton attacked from Prüm; the surprise that had previously been lacking from the American operation was fully achieved; and the whole structure of von Rundstedt's defense went to pieces. A study of German comments before the break-through shows how it was done. They expected to be attacked north of the Eifel range and were worried about it, apparently because of a shortage of troops. General Eisenhower not only reinforced the Third Army up beyond any figure it had previously had, but thrust it through the very difficult country south of the watershed, where a German army pinched for manpower was forced to rely on geography. As soon as the Third got through, the defensive elements north of the Eifel became a liability and in the effort to stop Patton the Cologne and Bonn bridgeheads had to be given up.

But the full extent of the disaster has not been territorial; it has been the effect of the operation as a whole upon German morale. As long as a military force is carrying out its own plans, no matter how black the tactical situation may look, it is undefeated. In the long retreat to Atlanta in 1864 Johnston's army remained a coherent and battle-worthy unit; but after it became Hood's army and failed in the fighting around the city, desertions set in, the structure had to be rebuilt and, during the process, no effective opposition could be made to the Federals.

Something of this kind has now happened to the German forces in the west. There is unmistakable evidence of disintegration, and not alone in such state-

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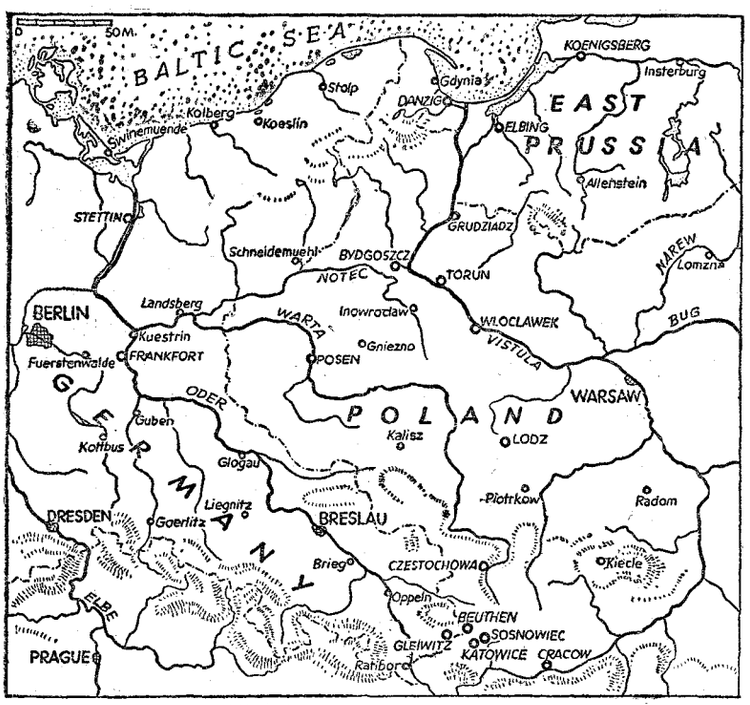
ments as that of the captured General Graf von Rothkirch: "The war will be over in four months; how can you fight a war without horses or gasoline?" Prisoners always talk this way. It is far more important that the Ludendorff Bridge was not destroyed and that the Wesel bridgehead collapsed. No matter what happened farther south, the Wesel bridgehead remained of great value to the Germans; and no matter what happened anywhere, it was essential not to let American troops across the Rhine. Whether the Remagen crossing can be expanded into a major operation is still uncertain as this is written, but even to contain it will make ruinous drafts on depleted German manpower.

Here it should be remarked in no uncertain terms that this defeat and this disintegration have been imposed upon the Nazis in the military domain, and by the use of military tactics on Eisenhower's part as skillful as those with which he broke through to Bizerte or achieved the invasion of Sicily. The Nazi Party line for defeat has already been established and von Rothkirch is only following it when he talks about his own dismal shortage of means of transport. For months Berlin has accompanied every setback by chatter about the overwhelming mechanical resources of the enemy—the vast numbers of Russian tanks, the overwhelming fleets of American airplanes. It is quite clear that as the German army was supposedly never defeated on the front in the last war, but succumbed only to the stab in the back from the home front, so it is to emerge from this war invincible in its own field, able to overcome everything but the production lines of Detroit.

It is taking nothing away from the performance of Detroit to say that if this doctrine is allowed to gain currency, even over here, the Nazis will have laid the groundwork for World War III. At no time, either in Russia or in the West, have the Germans wanted for weapons, and those of a quality that has caused severe criticism of the performance of our own Army Ordnance Department. They have lost battles, as they have now lost those for the Rhineland and the Oder, because the leaders of the United Nations in the field have made more effective use of the means at their disposal—because, as in the case of Patton's drive and Zhukov's offensive, the Nazis were led to dispose their troops to resist an attack from one point which actually came from another, to cut off large portions of the German fighting forces. All told, no army in the war has lost so heavily in proportion of prisoners to total strength during field operations as the German.



Counter-Attack Exorcised

When the Russian armies halted at the line of the Oder, the Germans were presented with an opportunity for counter-attack, and they quite evidently attempted to take advantage of it. Important communications centers in the Soviet rear still remained in their hands; they had wide assembly areas both in Lower Silesia and in Pomerania where a mass of maneuver could be organized, and withdrawals were made from all the other fronts for this purpose. But the Russian leaders succeeded in solving the problem of getting troops in before their adversaries. They have now captured the assembly areas where a counter-attack could be organized and the intiative remains on their side.

The Yalta Voting Compromise

The formula adopted at Yalta, and subsequently announced by President Roosevelt, for voting in the Security Council of the United Nations seems to us sensible. It will be remembered that the Big Five must be unanimous if military sanctions are to be applied by the Council, so that each will have a veto power over the use of its own forces. The question to be settled was whether this provision should hold if one of the Big Five was accused of aggression. The United States and Britain believed that in such a case the acccused member should not vote; the Soviet Union held out for the standard procedure. In effect this would mean that sanctions could never be applied against one of the great powers, since it would never vote against itself. The Yalta formula provides that the Council may hear charges of aggression against any of its members, but that it may not vote to use force against one of the Big Five.

An Unrealistic Distinction

Much has been said about the special privilege thus conferred on the most heavily armed nations, and much about the injustice of allowing the accused to vote in his

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own cause. But these complaints seem to us inapplicable. What would actually happen under the formula originally supported by our delegates seems identical with what would happen under the Yalta formula. The United States, let us say, is accused of aggression. The Council hears the charge. Its members having made up their minds about the issue, they then have to decide whether to start a new world war by engaging in hostilities against the United States. This country, in turn, has to consider whether, if Council opinion is adverse to it, it should not modify its stand. What matter whether these decisions result from a Council vote or not? In either case, the result is the same. If the big powers fall out, the only alternative to peaceable adjustment is world war.

Economies at Chapultepec

In spite of public emphasis on political issues in Mexico, it is probable that the economic one seemed equally important to the Latin American delegates. Latin America has two basic needs—one long-term, the other a result of the war. In the long term, the nations to the south of us wish to get away from extreme dependence on exports of raw materials and on private foreign investment, which bring instability and make their nations "colonial economies." They wish to develop industry, and supply more goods for their people both in manufacture and in agriculture. In the short term, the war necessities of the United States have distorted their economies and raised perils for the future. Large purchases of strategic materials may suddenly be cut off. Their inability to buy ordinary necessities from us, coupled with the inflow of huge quantities of money, has created inflation and hardship.

They need from us assurances about the tapering off of war purchases, reduction of tariffs, and the kind of investment which is not exploitative, but will help to develop well rounded economic systems. To help them in this way will be in our own ultimate interest, since increase in their productive power and standards of living will make them better customers. What was said in Mexico on these subjects sounded good; let us now see that action is in accordance with the words.

Mexico City and the Fascists

The blatant appeasement of fascist Spain and Argentina by the Mexico City conference deserves disapprobation. United States moral leadership in the Western Hemisphere was unquestionably weakened by the American delegation's refusal to discuss the question of breaking relations with Spain, an action demanded by a number of Latin American nations. Not only did this refusal have the immediate effect of encouraging Franco's impudence, notably in the anti-democratic outpourings of the Spanish press and radio, but it also made it impossible for the conference to force a showdown on the Argentine question. On the contrary, Argentina was welcomed back into the American family of nations on condition that she abide by the decisions of the conference, declare war on the Axis and sign the declaration of the United Nations. No demand was made for an end of fascism in Argentina. The country's pro-democratic masses and political exiles were left in the lurch. Appeasement was made an inter-American policy. No wonder that Argentina's fascist rulers were joyful over the conference's "tact."

Fascism in Europe

The sensational escape of General Mario Roatta, Fascist war criminal standing trial in Rome, is not an isolated incident. It symbolizes Fascist strength for survival not only in Italy, but throughout Europe. While fascism has been and is being dethroned by the victorious Allied armies, its permanent liquidation calls for more stringent purges than have hitherto been instituted, at least in western Europe. An active Fascist underground of 20,000 or more members has been reported to be operating in liberated Italy. In France, former members of de la Rocque's fascist-minded Croix de Feu are showing increasing initiative. In Greece, members of the fascist "security battalions" enjoy the official protection of the British-backed Plastiras government. In Rumania, only last-minute government reorganization eliminated a rising fascist threat. Postwar democracy in Europe can be expected to function only after the fascists have been thoroughly purged. Marshal Tito's democratic program for Yugoslavia, promising free elections and civil rights, is made possible by the preliminary liquidation of fascism. A similar policy is being followed in Bulgaria and Poland. And the same policy will be particularly necessary for Germany after that country has been occupied.

A Compromise for Palestine

The New York *Times* publishes a report, unconfirmed but giving evidence of being substantial, that the Arabs in Palestine are offering a compromise solution to the Jews. It is stated that there are now about a million Arabs and 700,000 Jews in Palestine. Under the new plan, worked out at the Cairo Conference of Foreign Ministers of Arab States, about 300,000 additional Jews would be admitted, until both groups were roughly equal in numbers. Both groups would have complete equality in political and economic rights, and the balance of power would be held by the Christian Arabs in Palestine, who number about 150,000.

It may be assumed that the Zionists will probably object to this proposal. They want unlimited immigration into Palestine, and a Jewish state. Nevertheless,

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the fact that the plan has been brought forward is itself a significant straw in the wind. The Arabs are evidently in a mood to compromise, and their offer shows a striking similarity to the plan brought forward recently by Dr. Judah Magnes, a distinguished Jewish leader in Palestine. Mrs. Anne O'Hare McCormick suggests that the recent visits of Mr. Churchill and Mr. Roosevelt to Near Eastern leaders may have something to do with the new conciliatory tone of the Arabs. She points out that with the end of the war all anti-Jewish laws will be canceled throughout Europe, though of course anti-Semitism as a social prejudice will still remain, and will take longer to eradicate. Certainly, the Arab proposal is the most interesting and important development in Palestinian racial relations in a long time.

Jesse Jones's Successor

President Roosevelt's appointment of Judge Fred Vinson to succeed Jesse Jones as Federal Loan Administrator was received with more general approval than any other choice he has made in a very long while. Both Jesse Jones and Henry Wallace issued statements welcoming the Vinson appointment. The Senate approved him unanimously and with unusual promptness. Claude Pepper and Harry Byrd spoke in favor of Vinson, as did numerous Republicans.

There are other men we would have preferred to see in charge of our federal loan policies, but we know no reason why Judge Vinson should not perform capably the job he has been assigned. Few members of Congress surpassed Vinson's record of party regularity while he was serving in the House, and in that period this meant New Deal regularity. He will undoubtedly remain loyal to the President's policies in his new job. The main problem is to mobilize the Federal Loan Agency to play its part in achieving full production and employment, and the fact that Jesse Jones, who worked against the Administration, has been replaced by a man who will try to carry out the Administration's policy of jobs for all, represents a solid gain for the none too bright postwar picture.

The Vice President Didn't

A fortnight ago, practically all the New York newspapers reported, and repeated it for several days, that Vice President Truman had urged Aubrey Williams to withdraw his name as a candidate for the post of Rural Electrification Administrator, in view of the opposition to him in the Senate. On a basis of these reports we expressed, in our issue of March 12, our disappointment at Mr. Truman's attitude. The Vice President now says that these newspaper reports were erroneous, and we hasten to cancel our criticism of him and to express our regret that we were misled by the unanimity with which the press gave circulation to an error.

Bretton Woods: Now or Never

A GOOD MANY PEOPLE apparently feel that the Bretton Woods proposals are so complicated and technical that the average layman should not be expected to understand them or to have an opinion on their merits. But this is not true. While the details are somewhat elaborate, the main outlines are clear and simple enough for anyone. It is, moreover, of the utmost importance that large numbers of Americans should understand these main outlines, and their significance to us and to the world, and should do so before Congress votes on the proposals.

No other war in history has left in its wake such universal and complete destruction of economic life. As President Roosevelt pointed out in his special message to Congress on February 12, in the liberated countries economic activity has almost come to an end. Transportation is disrupted, coal and raw materials cannot be moved to factories, finished products cannot be moved away, many factories are themselves shattered, along with power plants, bridges and harbor facilities. Even farm land has been ravaged by military action or, as in the Netherlands, by the inroads of the sea. The people are tired, sick and hungry. The task of getting blood circulating again in the veins of industry depends mainly on these countries themselves; but at the beginning, they must have help. The nations which still have available resources, like the United States, must aid in the task of getting the wheels revolving. They must do so in their own interest, for we have certainly learned by now that no one country can be prosperous in the midst of lands ravaged by poverty, cold and hunger.

It is not necessary for us to indulge in charity. The world is a good credit risk, if it is given half a chance. We can lend with a prospect of repayment good enough to satisfy any commercial banker, provided only that the machinery is set up to make such international lending safe, in a world where many monetary systems have been destroyed, gold reserves depleted or vanished, foreign markets lost, foreign investments dissipated.

If this is not done, if the world is not put back again on its feet, the alternative in all human probability is war. If we do not have international order, we shall have international anarchy. In any country, poverty and misery, if they continue for a certain length of time, lead almost surely to political revolution. Fascist elements would then get control, even though, as the world is going nowadays, they may find it convenient to call themselves anti-fascists. In self-defense, or in imagined self-defense, these countries will go in for economic warfare of the sort practised by Germany throughout the decade of the 1930's. They will use "multiple currency" devices whereby

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money is worth more in one (favored) situation than in another (unfavored) one; they will resort to barter, dumping, quotas and exchange control. It does not need much intelligence to see that a world of universal economic conflict is a world headed for poverty, international distrust, suspicion, hatred and a third world war.

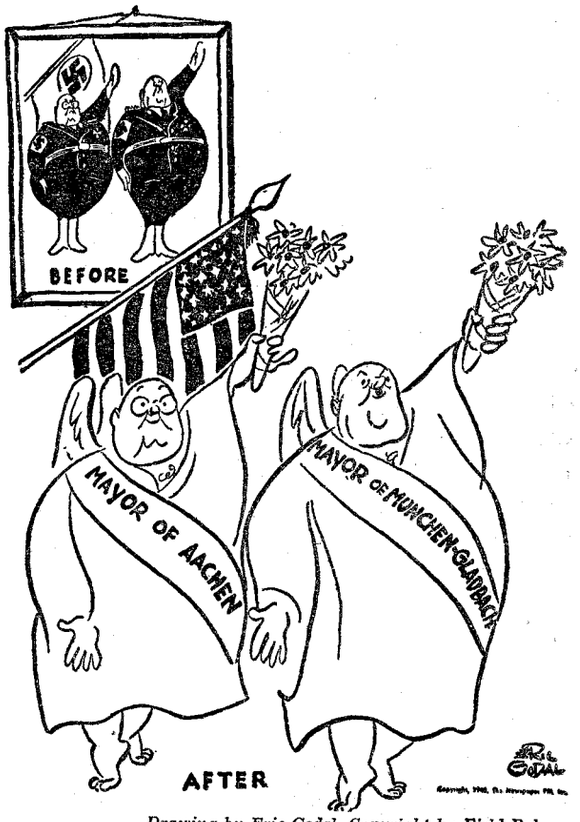
It was to prevent these evils or mitigate them as much as possible that the Bretton Woods proposals were created. Over a period of many months, delegations of experts from many countries came successively to Washington for bilateral talks with American experts. Simultaneously, similar talks were held in London between spokesmen for the British government and for a number of other countries. Then in the summer of 1944, more than 200 experts representing 44 countries met at Bretton Woods, and worked out the agreements for the International Bank and the International Monetary Fund. These proposals now need to be ratified by all the participating powers. Hearings are under way for this purpose before the Banking Committee of the American House of Representatives, and will soon begin before a committee of the Senate.

Ignoring technical detail, the chief purpose of the International Bank is to make or insure loans across international boundaries. Suppose, for example, that Yugoslavia wanted to install a big hydroelectric power project like the TVA. If the International Bank did not exist, she would come to the money market in London or New York and try to borrow the money from private sources. These sources, with no control, or practically no control, over internal conditions in Yugoslavia, and seeking, naturally, all the profit that the traffic would bear, might impose very difficult or impossible conditions, as to interest rates, amortization and collateral. The loan might or might not be made; if made, it might subsequently go into default, and the investors in it might lose all or part of their money.

Suppose on the other hand that we have the International Bank in existence. The would-be borrowers come to the lending committee of the IB and ask for their money. The IB proceeds to ask three questions: 1. Is this loan for productive purposes? 2. Is it, or could it be, used for war purposes? 3. Does the Yugoslav government guarantee the loan? If the answer to the first and third is yes and to the second is no, the bank will make the loan, or, more probably, will guarantee it, exactly as the FHA guarantees your loan with which to buy or build a house. If the loan is guaranteed, the money would probably come from private sources. The bank, for its participation, would get a fee of one percent per year to go into its insurance fund.

The International Monetary Fund serves a very different purpose. Its aim is to prevent wild fluctuations, whether involuntary or deliberate, in the currency of any country. When currency is depreciated, the result is the same as though other currencies, in international exchange transactions, became more dear. Temporarily, at least, to depreciate the currency makes it easier for a country to export and harder for it to import. (This is true only temporarily, because other countries are almost certain to take reprisals, either cheapening their own currencies, raising their tariffs, or putting exports from the depreciating country under a quota or embargo.)

The International Monetary Fund will have a capital of $8,800 million, of which the United States' share is $2,750 million (the bank's capital is $9,100 million, of which our share is $3,175 million). The fund will be used to correct small and temporary inequities in exchange rates, as has been done in the past with stabilization funds of the various countries. (The United States now has a stabilization fund of about $2 billion which has been in existence for the past eleven years and has earned a handsome profit.) In addition, the fund will have control over the deliberate actions of the participating governments in changing the value of their currencies. These governments pledge themselves in the agreement to maintain their currencies at the stipulated values, within a margin of one percent, to define their currencies in terms of gold, and to make no restrictions on payments in settlement of current trade balances. If they intend to change the value of their currency by 10 percent or less, they agree to consult the fund in advance on such



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We Don't Learn—Even the Hard Way

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action. A change of more than 10 percent can be made only with the approval of the board of the IMF.

You sometimes hear it said that the Bretton Woods proposals are in the interest of foreign countries and that the United States should either reject them on that account or should accept them only for philanthropic motives. Nothing could be farther from the truth. We have as great an interest as any other nation in seeing the world become prosperous and remain so. If we are to make loans abroad—and it is perfectly certain that we shall, in one form or another—it is greatly to our advantage that the credit of 43 other nations be placed behind these loans, and that these nations, collectively, shall put up roughly two-thirds of the money.

Moreover, the plan for the monetary fund represents a concession by the rest of the world, and especially by Great Britain, to the United States. We are the only important country on earth which wants a return to the gold standard. Great Britain and most other countries want a managed currency whose value can be adjusted from time to time, not merely, or even primarily, for an advantage in foreign trade, but for the maintenance of high prosperity at home. It was a great concession for these countries to give way to the United States and base their currencies on gold. Indeed, there is a powerful minority in Great Britain which feels the sacrifices to the United States have been too great, and that the international fund should be rejected. These countries get some reward, of course, in that on notification to the fund they can alter the value of their currency by 10 percent in either direction.

Who opposes ratification of Bretton Woods? So far as we know, it is just two groups: the political isolationists, who want to let Europe stew in its own juice, and a small group of powerful bankers in New York or greatly influenced by it, who, however sincere they may be, believe they can profit enormously by a continuance of the anarchic conditions of the recent past. They are like private policemen who earn fat fees by conducting wealthy travelers through a bandit-ridden country: naturally they are opposed to the coming of law and order which would make their chaperonage no longer necessary. You may have read that the American Bankers' Association is opposed to the monetary fund, although with some amendments it favors the bank. This is not true; a report to that effect was made by a committee of the ABA, but it has not been ratified by the membership. The Independent Bankers' Association on the other hand is in favor of both the bank and the fund. If you should read that such groups as the National Association of Manufacturers or the Chamber of Commerce of the United States are opposed to part or all of Bretton Woods, you may be sure it is the same little group of wealthy and powerful bankers who have marched behind the scenery, hastily changed their costumes and have now appeared again as another committee.

Nobody pretends that the Bretton Woods proposals are perfect. No doubt they can be modified advantageously in future years in the light of experience. But it is a mistake to reject something that is 90-percent good because it is not 100-percent good. If memory serves, there were about 160 proposed amendments to the United States Constitution when it was up for consideration. Plenty of people proved to their own satisfaction that it should be rejected, yet we all see today what a disaster rejection would have been. The enemies of Bretton Woods do not dare admit that they want to scrap the whole thing. They are in favor, so they say, of the bank, but they do not like the fund—although the bank could not operate successfully unless the fund had first worked to smooth the international waters. A short time ago, they favored the fund and not the bank. What they really want is neither fund nor bank.

If the American Congress begins amending the Bretton Woods plan, it will never go into effect. Forty-four nations took weeks to write it, after preliminary negotiations lasting years. At the conference every nation, including the United States, tried to get modifications in its own interest; one by one, these efforts were slapped down. If we now insist on amendment, so will everyone else, and the cause is lost. With it goes most of the hope of the Dumbarton Oaks plan for world peace. If the United States will not live up to its pledges on a simple matter of international banking which is tremendously in its own interest, what hope is there that it will assume the far more serious obligations of a new organization for world security? Let the members of Congress beware: if they vote against Bretton Woods in substantially its present form, they are voting for long continued worldwide poverty and misery, and the likelihood of another world war.

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A Journal of Opinion

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Britain's "Life-or-Death" Problem

After the war the British expect to share more equitably what they have, by means of social insurance, free medical service, a great program of public housing, full employment maintained by governmental planning. They also have resolved to raise the average level of living by producing a larger quantity and a higher quality of the goods and services to be shared. They believe they know how to do all these things, as far as management of their own economy is concerned. If the United Kingdom contained all or nearly all the natural resources necessary for life—as for instance the United States and Russia do—the task, they think, would be relatively simple.

This, however, is not the case. Before the war British farmers raised only about 40 percent of the food eaten in the country (measured by money value). No cotton can be grown in the nation. Timber must be purchased abroad. Petroleum has been discovered during the war, but only a small amount in relation to requirements. There is iron ore, but not enough; this and other metals and chemicals have to be imported. Coal is the only important resource of which there is a surplus, and even this is becoming more expensive to extract. No doubt Britain could be much more nearly self-contained than she is, but the cost of long strides in this direction would be a drastically reduced standard of living until perhaps half the present population emigrated.

The way in which Britain bought the necessary imports before the war, and the only way in which she can do so in the long run, was by giving something of equal value in exchange. In the years 1936-38, part of what she exported, but a minor part, consisted of coal and other raw materials. A much larger share consisted of manufactured goods. (For many of these, like cotton textiles, the materials had to be imported.) All this paid for scarcely more than half her foreign purchases. The other half was covered by "invisible" exports. Of these, the largest single item was the income on foreign investments. Over a long period, the British had sent capital abroad; foreigners were paying dividends and interest for its use, and these payments enabled the British to buy in foreign markets between one-quarter and one-fifth of what they wanted from other countries. The next largest item among the invisible exports was the payment received from foreigners who dispatched their freight in British ships. There was also the payment for insurance and banking services.

The effect of this war on Britain's ability to pay for imports has been almost catastrophic. In the days of "cash-and-carry" the nation had to sell foreign investments in order to buy in this country munitions and supplies needed by both military and civilians. Lend-Lease reduced this necessity as far as the United States was concerned, but the process continued in other parts of the world. Submarine warfare diminished the tonnage of British shipping. While this shortage has now been made good, American shipping has more than doubled, and the prospect of postwar competition leads the British to expect a reduced shipping income.

Nor is this all. Formally, Britain has not accumulated a foreign war debt, as she did in the First World War. But she has bought large quantities of goods in India, Argentina, Egypt, the dominions and elsewhere, for which she has paid, not in the currencies of the nations in question, but by deposits of sterling to their account in Britain. Exchange control prevents the sellers from getting the money out. They cannot now spend it even there, because under war conditions there is nothing they can buy. These "blocked sterling balances" constitute Britain's foreign war debt. They amount to about £3 billion, and may rise to £4 billion or more before the end of the war. In order to amortize them, Britain will have to export without getting anything currently in return. She will also have to export enough more to pay for the imports needed for her daily life.

The consequence of the loss of income on foreign investments and shipping, plus the accumulation of debts, is that Britain will have to export far more goods than before the war in order to buy abroad even as much as she did then. If she is to maintain full employment and a higher standard of living, she will have to buy more than that. The commonly quoted figure for the necessary expansion of exports is 50 percent, but this is a minimum. It may be much larger.

E. F. Schumacher, an economist of the Institute of Statistics at Oxford, summarizes the figures. Average annual imports, in the immediate prewar years, cost £866 million. They were paid for by exports, visible and invisible, divided about as follows:

Exports of goods	£478	million
Shipping services	105	"
Banking, insurance, etc.	40	"
Income from investments	203	"
	826	"

This left a deficit of about £40 million, which was met by a net reduction of British foreign investment, through borrowing or sale of assets. Thus the process of foreign disinvestment was begun even before the war, during the years of reduced world trade.

Of the goods exported, many were made of imported materials. These materials cost, on the average,

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about £80 million. In order to get a net figure for exports, Schumacher deducts this figure from the total. This leaves him with net exports worth £390 million. All the other, or invisible, items, plus the net disinvestment, also add up to £390 million. The export budget was thus divided about fifty-fifty between goods and services.

He estimates that after the war the invisible or service exports will have shrunk to half their prewar size, or £180 million. This means that if the same net volume of imports is to be obtained, exports of goods will have to increase from £478 million to £740 million. (Larger exports of goods would of course require larger imports of materials. Deducting the value of such materials to obtain a net figure, goods exported would have to rise from £390 million to £600, or about 50 percent.)

One easy way out, for the time being, would be for Britain to borrow from foreigners in order to pay for the imports required, pending the necessary changes in her economy. Generous Americans, noting her plight, suggest lending (or even giving) her the money. Less generous Americans are on their guard lest through Bretton Woods or some other complicated device the British in their extremity invent an ingeniously concealed way of getting the money out of us. Both groups of Americans seriously misjudge the temper of the British. The last thing they want is to increase their foreign debt by a single penny; they want to get out of debt. And they are well aware of the danger in accepting gifts. They know that their whole future would be compromised by becoming dependent. They are firmly resolved to stand on their own feet by balancing imports with exports, and want to do so at the earliest possible moment.

How are exports to be increased by half or more above the prewar level? It is possible to be gloomy about the prospect by looking backward. The three largest single classifications of exports in the past—coal, cotton textiles and iron and steel products—showed a declining trend between the wars. It will be almost impossible to reverse this trend, at least in the cases of cotton textiles and coal. In addition, much is written about the supposed technical and managerial backwardness of British manufacturers, particularly in matching the low costs achieved in the United States by mass production. The automobile industry is a frequently cited illustration.

It is reported, for instance, that American cotton mills, by the use of automatic looms and long runs, achieve a far higher output per labor-hour than British mills. This criticism overlooks the fact that the standardized and lower-quality materials made in this way have little export market; cloth of this kind is made in India, Japan and almost everywhere else where cotton goods are in large demand and wages are lower than in either England or the United States. The chief export demand now is for fine and varied piece goods which are not adapted to long runs. Likewise it is said that American coal mines are more productive than British because they are more highly mechanized. While some improvement might be made in Britain, the possibility is limited by the fact that many of the seams are smaller; the mines have already exploited the easier workings. Mass production in automobiles of the kind demanded abroad has been limited in England by two factors: first, the heavy taxation of cars and gasoline on the assumption that they were luxuries for the rich has led to motors of low horsepower which are extremely economical but are not favored in regions of rougher roads, steeper hills and longer distances; second, few of the numerous manufacturers have had a large enough domestic market to incur the overhead incident to mass production. These two factors in combination have kept the cost of production, and prices, high. A drastic change in taxation plus integration of manufacture might alter these disadvantages in time; the British can now compete with us in price on motor trucks.

But looking backward obscures the fact that some industries grow while others decline, and that newer industries are usually more progressive than older ones. There are expanding and efficient chemical, rayon and electrical-equipment industries. The manufacture of machinery, at which the British were always leaders, has grown steadily with the advance of industrialization in the world. Manufacture of light metals such as magnesium and aluminum has recently increased by leaps and bounds. (Magnesium is obtained from sea water, of which Britain has plenty.) Even exports of motor vehicles have grown.

There is a legend in the United States that all good inventions are made by Americans, and that our technical men are the best in the world. It simply is not true. At the beginning of the war some British airplane motors were more advanced than ours; we learned how to reproduce them—with improvements, of course—in large quantity. It was an Englishman who invented radar. They were ahead of us in television, and are at this moment in a better position to export it. Jet propulsion did not originate on this side of the Atlantic. The chemical and other new industries are not behind ours either in technique or cost of production. I have even heard it confidently predicted that the vexed British coal problem will sink into insignificance within a quarter-century because of the rapid advance in discovering how to use atomic energy.

Nor should we lay too much stress on mass production. The British are just as capable of employing it as we—when the demand for uniform products is large enough to make it pay. But in some important markets it is not a factor. In the manufacture of machine tools and machinery, for instance, skill, ingenuity and the store of experience are the essential qualities, and these

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British workers possess in superlative degree. Civil aviation after the war will not absorb planes and their motors by the hundred thousand; here quality and adaptability to special purposes will count more. The same is true of power plants of all kinds. British labor has always been at the top in producing high-quality consumers' goods in infinite variety—scotch, woolens, cotton piece goods, pottery, chocolates, leather goods, glass, cutlery, paper. (The lenses for Leica cameras were made in England.) If expanding industry and full employment rule in the postwar world, the British can share in the export of equipment for ships, railroads, power stations and factories, while more leisure and higher purchasing power will focus attention on the amenities of life and hence on quality goods.

PEP (Political and Economic Planning), looking for the English town most dependent on exports, found that it was Stratford-on-Avon, which manufactures nothing. We should not forget tourist expenditures as an element in invisible exports. Older regions, such as Italy, Switzerland, New England, not to mention newer ones like Florida and California, have found them a powerful stimulus. Will not every American who can possibly do so want to travel when war restrictions are lifted?

It may take time to develop all these markets. What is to be done in the immediate postwar years? In this respect also the problem, seen at first hand, is different from that usually envisaged in this country. A starved and devastated world is going to demand everything it can get, in larger quantities than are likely to be available. It is even going to demand coal, cotton textiles and iron and steel. It will need rails, locomotives, machinery of all kinds. A large part of the world will even have the money to pay for these goods. Ruined France has gold; so have Russia and the Netherlands. Latin American countries have large quantities of dollars and pounds which they have been unable to spend. There is no question about the demand for exports for a few years. Many of these Britain will be equipped to make after a short reconversion; she can certainly sell as much as she wishes to spare.

The problem as it is seen in England is rather how to limit the demands of a domestic population long deprived of satisfactions and enjoying the money income derived from full employment, so that there may be enough goods left for the export market. Americans often picture English businessmen as shrewd and rapacious exporters prowling about the world to see what markets they can wrest from us. Some of them are like that. But in London most of them are seen as people out of touch with foreign buyers and demands, who will prefer to sell in a booming home market rather than to take the trouble and risk of seeking customers beyond the seas. Vital though foreign trade is to Britain, her exports of goods in 1938 did not amount to more than 12 or 13 percent of her national income. Also there is a fear that the people will demand so many non-essential goods from abroad that the foreign exchange available for imports will not embrace the essentials.

Many devices to induce a balancing of foreign trade are discussed. Priority in scarce materials or in capital may be allotted to exporting producers. Exchange control may be used to favor their purchases, as well as to limit the demand of individual consumers for luxuries. Methods of marketing abroad which will facilitate the task for small and medium-sized concerns are being explored. There is much talk of increasing efficiency and reducing costs. Governmental buying of imported staples has its advocates, and a few believe in governmental selling of exports as well. Agriculture will probably be encouraged not to continue the war pattern of production which was designed to save shipping space rather than to be provident, but rather to increase its production of dairy products, meat, vegetables and fruit, so that a more nutritive diet will not involve increase of food bought abroad. Meanwhile education in the hard necessities of the situation is intensive. "Export or die" is not merely a popular slogan, and not publicity for a special group of profit-makers, but the conviction of all thinking Englishmen.

I have not seen any precise quantitative program of what Britain intends to buy abroad, and with what exports she expects to pay. If a program like that exists, it is a state secret. Probably too much guesswork would be necessitated to draft such estimates. But there is a sense that this problem, like that of domestic production and full employment, is manageable—in so far as it can be managed by any action taken within the British economy. Confidence is general that, difficult though it looks, it can be solved. Whether or not that confidence is justified, it has a marked effect on international relations. For it makes the British expect that if insurmountable obstacles obstruct their economic survival, these obstacles will arise not within the United Kingdom or as a necessary consequence of its war losses, but from the policy of other nations. Specifically, these obstacles may be erected by the United States.

To the average American, who has nothing but admiration for British heroism in the war, and wishes England no harm in the future, this apprehension may come as a shock. Have we not coöperated to the fullest possible extent, through Lend-Lease, joint war controls of all kinds, military action? Are we not prepared to help guarantee peace in the future? Have we not kept our own isolationists in check? Why should so good an ally and friend be annoyed at our attitude or in any way afraid of us? It seems like nervous irritation, or even base ingratitude. In fact it is neither. There are reasons for it which we can understand, if we begin by understanding the goals of the British and the nature of their problems. It will take another article to explain these reasons, even briefly. GEORGE SOULE

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Housing Is News Again

A WEEK OR SO AGO the front page of the New York *Times* featured the news that the biggest housing program in our history was going to Congress and would pass. The story broke prematurely and irked a few federal officials to whom sponsorship was mistakenly attributed, but, in substance, it was true. With the support of labor and local housing officials throughout the country the first phase of a broad program to rationalize American housing policy has been reduced to legislation. If passed, it will be the first effort to clear our slums on a large scale.

America's slums have been publicized since 1817, when they were first ascribed to "mercenary landlords." They have made excellent copy ever since for planners, politicians and muckrakers. The deleterious effects of slum life seems always to have been forgotten as quickly as they are mentioned. There are a number of reasons for this. One is the determined opposition of the building and loan lobby which always has had strong friends in the Congress. Another is that the program is so complex in its details that it is often misunderstood by the public. Selfish moves by real-estate lobbies to bail out of undesirable holdings are often mistaken for sincere efforts to rehouse slum-dwellers. Still a third reason is the magnitude of the job to be done.

Thirty-nine percent of our non-farm housing alone is below standard. Some of our slums are 100 years old, some of more recent vintage. The main categories with which a comprehensive program must deal are:

1. The metropolitan slum—composed of buildings put up for the immigrants who crowded into our cities and would move into anything. They continue in use because present tenants can find nothing better at rents they can afford. New York City's "dumbbell" tenement is an example. It received a prize from an engineering journal in 1878, a time when merit was judged only in terms of income. Its construction was forbidden 23 years later. Most of these buildings still stand and are fully occupied and revenue-producing.

2. The company slum—commonly found among Eastern coal miners and Southern textile workers. They stemmed from the need to provide dwellings for a large working force and out of employer expectations that company-housed workers would prove more docile.

3. The hand-me-down—originally a good section of town, deserted by the well-to-do when families of unwelcome ancestry or color got too close.

4. The perpetuated slum—embracing a variety of shacks, cabins and dugouts intended for temporary use and continued as the permanent homes of families who could find nothing better. "Temporary" war housing and the fixed trailer slum are the latest additions.

5. The depopulated slum—ghost towns badly hit by an exodus of population, and now reoccupied.

6. The regenerated slum—consisting of unlivable dwellings given a patch of plaster and a dab of paint to comply with the law, and again producing income.

7. The ghetto—particularly the Negro ghetto, a peculiarly American institution. Its boundaries are set by force of deed covenants, statute or simple duress.

8. The rural slum—occupied largely by sharecroppers, migratory workers and tenants.

Overcrowding, decay, filth and disease are usually a common characteristic. What makes the problem more difficult is that the slum supply is always kept up to quota by the potential slum, whose construction is authorized by law. This is being built every day, some of it under government auspices. It quickly degenerates because of poor planning, shoddy workmanship and materials, then bypasses the wrecking crew to serve a new generation of underprivileged.

Last month John B. Blandford Jr., National Housing Administrator, went before a Senate Housing Committee in Washington and laboriously repeated what every social worker has known for decades: the incidence of secondary cases of tuberculosis among children is 75 percent higher in overcrowded dwellings; the incidence of typhoid fever is 73 percent higher in the slum dwellings lacking a private inside toilet; in selected cities surveyed, the infant-mortality rate was 6 times higher than normal; deaths from tuberculosis, 10½ times; pneumonia, 3 times; the incidence of crime, 5 times; the number of criminals, 15 times, etc., etc.

There were enough charts, statistics and memoranda at the hearings to burn up the slum areas of two of our big cities, but not a single concrete proposal emerged. When asked whether he had a program to clear these slums, Blandford advocated more surveys, more research. Of course Blandford's predicament must be understood. His tenure is for the war's duration only. Some of his own subsidiary agencies, sympathetic with the private housing and the lending lobbies, have frankly stated they would like to see him quietly drop out of existence. He has been accused of believing public housing a necessary part of any redevelopment program—an "unconscionable" position for a public official who needs lobby support to continue in office.

When it appeared that no legislation could emanate from the federal housing agencies, the National Public Housing Conference, a citizens' group, solicited the support of labor and city officials throughout the country and undertook to write a slum-clearance program. It will seek to accomplish four main objectives: (1) the acquisition of vast tracts of slum areas in the central parts of cities by local housing authorities; (2) the

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resale or lease of part of the acquired property to private builders at a cost written down to make private development attractive; (3) the redevelopment of part of the remaining property with low rental housing for the slum-dwellers displaced and for others needing such housing; (4) the clearance of rural slums and the construction of decent farm housing.

A significant feature is that the federal government will now no longer be required to employ its own credits for financing the acquisition of the land or the development of the projects. The need for government loan funds for public-housing projects has involved major federal commitments in the past. For example, to finance about 195,000 public-housing units, $800 million in loans had to be authorized by the United States Housing Act. These loan funds were often confused with subsidies and many congressmen who voted for the huge authorization never thought it would be returned. Under the program proposed, the local housing authorities would borrow all moneys needed for land acquisition from private sources. They would also borrow privately all the moneys needed for building the public-housing projects. This innovation is now possible only because of the proved financial stability of the local housing authorities and of their projects. More than 500 active local housing authorities function today. They have already erected (under the United States Housing Act) about 168,000 low-rent units, 63,000 of which are in war use. Forty states have passed enabling legislation.

Private lenders were wary at first. Slum tenants, they were told, would batter their bathtubs into coal bins, cool their feet in the refrigerators, not pay rent and bring early default to the bonds. These fictions were blasted as experience showed rent defaults of less than one-fifth of one percent, the projects well kept, the tenants normal, responsible human beings. As a result, as much as 85 percent of project cost is now being advanced by conservative Wall Street firms. The average final maturity of the bond issues has increased from 18 years in 1940 to 41 years in 1944, and despite these longer maturities the average interest rate payable by the local authorities has declined from 2.61 percent on 1940 issues to 1.78 percent on 1944 issues. The local-housing-authority bond has become a choice investment. To ensure still lower interest rates and 100-percent private financing, the NPHC program seeks authority for national banks to buy these local bonds.

The proposed program acknowledges that no city can be rebuilt without the aid of both private and public enterprise. It recognizes that private builders have not purchased in slum areas for three reasons:

1. It has been difficult to assemble large aggregations of land in these sections through private negotiation. By authorizing public bodies to acquire the land through condemnation or otherwise, and resell it in large parcels for public and private development, this obstacle would be removed.

2. The proximity of the substandard neighborhood exerts a detrimental influence on new developments. By redevelopment of the old areas into new neighborhoods on a comprehensive scale, the new communities would create their own environment.

3. The high cost of land in slum areas has discouraged private redevelopment. By enabling the city to reduce the sales price of the land so as to compete with the cost of land in outlying sections, the private developer would be induced to build within city limits, where schools, transportation and utilities exist.

The program contemplates the construction of 450,000 public-housing units, 225,000 on slum sites, the rest on vacant sites and in rural areas. Some 225,000 dwellings will be erected by private builders for higher-rental occupancy on the newly cleared sites under building standards laid down in advance. The new developments in the now blighted sections will be serviced by commercial and civic buildings, churches, parks and playgrounds, all knit into new, self-contained communities.

The only cost to the government would be in the subsidies necessary to write down the land cost for the new neighborhoods, which will amount to $30 million annually, while $70 million annually will be required for the low-rent-housing subsidies.

The rural phase of the program has been worked out after consultation with farm experts. Houses would be built by local housing authorities for tenants or owners to be certified by the Department of Agriculture. Payments are to be on a sliding scale dependent upon the farmer's income, but the minimum payments required will be sufficient to pay off principal without interest in 45 years. The complexity of the rural-slum problem, tied in as it is with the whole rural economy, bars any easy solution. But the NPHC proposal is a step in the right direction.

The nation has an opportunity now which may be lost to us for generations if it is not seized promptly. The patterns of our cities are usually set during spurts of building activity of short duration. The government has estimated a postwar shortage of 12,500,000 nonfarm units, and hopes this will be supplied in the ten years after the war ends. In the absence of a program, most of these dwellings will be built on the outskirts of cities, leaving the decayed core at the center untouched. With the rate of population growth fast declining and with stabilization predicted in about four decades, private building activity will fall off and urban redevelopment become more difficult.

The immediate postwar period will be our greatest opportunity to reorder our city patterns. The legislation should be enacted, plans drawn and land acquired without delay. It may be too late tomorrow.

CHARLES ABRAMS

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Future of the Light Metals

THE POSTWAR POSSIBILITY of a total national output of two billion pounds of aluminum a year is raising some real problems today with the nation's economic planners in general, and in particular with the members of the Senate subcommittee on the problems of small business. How to maintain and utilize the greatly expanded production capacity of aluminum and its light-metal twin, magnesium, is a big question with the committee, which is trying to determine how the light metals can contribute to the establishment of 60,000 new small businesses after the war.

Prewar aluminum production was largely a monopoly of the Aluminum Company of America. The Senate committee wants to make it possible for a multitude of small businesses to engage in fabricating aluminum after the war. Essential to this goal will be an established source for the metal beyond the reach of monopoly control. As compared with steel, which costs approximately 1.5 cents per pound, aluminum costs 15 cents and magnesium 21 cents. Independent producers will need aid in meeting these prices, aid comparable to that which the government has provided to raise the wartime production of light metals to the present peak. More than a billion dollars of public money has gone into this expansion: $600 million into aluminum and more than $400 million into magnesium.

Under monopoly production of aluminum before the war, the rate of annual output was only 15 pounds for each American, as opposed to 750 pounds of steel. The before-and-after annual production capacity of all United States plants is shown by the following comparisons:

Aluminum	
Before the war	160,000 tons
Present capacity	1,250,000 tons
Magnesium	
Before the war	3,000 tons
Present capacity	300,000 tons
Steel	
Before the war	60,000,000 tons
Present capacity	90,000,000 tons

Thus with an increase of from six to eight times in aluminum capacity and a hundred-fold gain in magnesium plant capacity, there was a step-up of only one-half in steel facilities.

Studies of the anticipated market for aluminum after the war foresee a demand for only 450,000 tons of the virgin metal, plus 300,000 tons of the secondary or reused supplies. This means that light-metals producers must find a way of bridging the gap between the 1,250,000 tons of possible supply and the present estimate of 450,000 tons of demand.

At the Senate committee hearings Richard S. Reynolds, of Reynolds Metals, said he expected aluminum to find extensive use in combination with various other materials, especially with steel and wood. He showed the committee members samples of a building material, about a quarter of an inch thick, composed of two layers of aluminum enclosing a layer of wood. He prophesied a wide use for this product, especially for housing in the tropics. He estimated that the outer surface would reflect 96 percent of the sun's heat. Reynolds spoke of aluminum boxcars, aluminum-clad steel for roofs, aluminum doors and hoods for automobiles. These would be over and above the uses already taken into account in the estimated postwar demand, which include better kitchen utensils for more families, and generally more widespread and intensive applications to fields where aluminum is now established.

Although less is known about the possible peacetime uses of magnesium, producers expect to have little difficulty in finding a market for it. Dr. Willard Dow has pointed out that magnesium wheels have become standard in aircraft, and that it may be only a question of time till they are similarly used on automobiles. He believes that when that time comes the present expanded plant capacity would supply only three-fourths of the need. It has been suggested that the government sponsor extensive research into the other possible uses for magnesium.

Richard S. Reynolds has outlined the following program as essential to prevent waste of the great national investment in the light-metals plants: (1) Keep the plants in usable shape long enough to find the full extent of uses for their products; (2) make certain that aluminum users never again have to rely on a single source of supply as they relied on Alcoa before the war; (3) make it possible for independent producers to compete effectively with Alcoa.

Reynolds believes (3) would involve scaling down the cost of power sold to the industry by such quasi-public agencies as the TVA, plus full use of secondary water flow, and making sure that costs to independents so served were as low as those of Alcoa, which by now has amortized most of its power-plant investment. Reynolds would like to see contract terms so adjusted that as the independent companies emerge into the postwar period, they would not suffer any adverse financial factor which could be controlled by government—either interest, repayment terms, power charges or other items.

In earlier light-metals hearings a proposal was made that the government consider the market price at which normally constructed plants can make a profit, and the amount of metal any given war-built factory can produce. Based on these factors, a valuation independent of actual construction costs could be fixed on plants, and by wiping out this difference the operator would be put in a position to compete equitably. A somewhat different proposal, but with a similar end

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result, has been outlined at the present hearings. The committee hopes to present a definitive program at later sessions.

Eventually the Senate committee hopes to show the essential need, from the standpoint of small business, for the continued operation of much of the light metals production capacity which the war has brought into being. This goal may necessitate, in addition to the modification of contract terms, a virtual government subsidy of the plants by the purchase at fixed prices for stockpiling, of a portion of the metals produced for several years.

One thing is certain: The United States cannot afford to abandon to junk sales so essential a national industry as a healthy, expanding light-metals-producing plant.

WILLIAM R. MINER

Targets for Tomorrow's Economy

IN THE PRECEDING five articles Professor Hansen and I have indicated what is required if this country is to have full employment. We have emphasized in particular the need for maintaining spending at an adequately high level. We have emphasized the need of giving up our prejudices in favor of an annual balancing of the budget and of rigid foreign exchanges. We seek flexible exchanges, but not absolute freedom to manipulate them. We recommend foreign loans that can be absorbed with accompanying gains for our export trade and, in particular, for many domestic industries that would be vulnerable indeed with a serious decline of foreign trade. Depression in these industries would be felt throughout the economy. In this final article I propose to suggest the broad outlines of our problems and to point the way out.

The Struggle over Full Employment. – I am sure that I do not know how many jobs are required in order to have full employment in the postwar period. Much will depend upon the number of hours of work, the attitude of the young toward education, the attitude of housewives toward work, the numbers required by the military, the rate of rise in productivity, and the like. When we talk about full employment we do not mean that every man has a job. I am perfectly willing to envisage a "full-employment" economy in which there are frequently five million people unemployed. So long as these are not always the same people, so long as they are protected by a really adequate social-security program, I see no great danger of unemployment. I make this important reservation: The situation, unfortunately, will probably not be stabilized at this point of unemployment, and in the absence of early corrective measures, conditions will worsen.

In the last year or so we have begun to debate with much vigor the issues raised by the Murray bill (Senate, 370), Sir William Beveridge's latest book, the economic policies of Mr. Wallace, and the like. I am at a loss to understand the protests that have been raised against these various proposals for providing some planning in our economy. It has been suggested by all of these gentlemen that an appraisal of the situation be made periodically, that if spending is inadequate the government take the responsibility for filling the void. Instead of waiting until five million become unemployed, the suggestion is made that we study the situation continuously and take corrective measures early. This seems to be much more sensible than waiting until a significant decline sets in and then waiting until that decline begets others—until we are finally in the midst of a great depression.

The issues are clear. The American people have to choose between a high level of employment, a probable rise of the average amount of public spending, and varying amounts of public spending varying with the amounts of private activity—they have to choose between these, on the one hand, and unemployment, maldistribution and political and economic instability on the other. The public should have an opportunity to express its preference. If we choose the former, our liberties will undoubtedly be infringed to some extent. Although I am in general agreement with the program proposed by Sir William, I do not go so far as to agree that it does not mean some curtailment of freedom of action. And in all honesty, this point should be made clear to those who have to do the choosing.

A full or high-employment policy may well require that some restrictions be put upon trade unions in their efforts to raise wage rates; that farm and other groups not be permitted to demand ever increasing rewards with the result that the gains of expansion are consumed in rising prices and inflation. By this I do not mean that wage rates should not rise. As productivity continues to increase over the years and because average output per man-hour is high at high levels of output, money wage rates should most certainly continue to go up. (I assume stable prices.) Within a generation, factory workers may well earn $75-$100 per week. Trade unions should, however, not demand rises beyond those justified by the increase in productivity or they will help bring about inflation, with its distortions, adverse effects on output, etc. It may also be necessary to interfere with the free movement of labor; men must be where there are machines and jobs. These restrictions on the movement of labor need not be serious. Yet even Sir William writes, "Whether or not the use of the employment exchange is made com-

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pulsory for all classes of vacancies, it should be compulsory in respect of all persons under eighteen so that the flow of adaptable youth into industries may be wisely directed" (*Full Employment in a Free Society*, American edition, p. 32). It will, in addition, be necessary to increase the participation of government in economic life and, therefore, the freedom to spend will be further reduced. And the public will pay more taxes. As the government spends more, it will to a considerable degree determine the nature of spending by the public. There will be more for education, public health, beautiful parks, recreation and travel.

These points are simple and precise. We should argue them clearly and dispassionately and abide by the decision of the electorate. Those in the upper income brackets who are fighting this idea can lose this battle, thereby bringing about full employment for everybody, and yet emerge much wealthier and better off in less material ways than if they had won. But we should not befuddle the issues with name-calling, or hit below the belt—as many have done in the recent discussions on the Murray bill, on the Wallace appointment and on deficit financing.

Exports or Public Investment? – We have seen that the burden on consumption and private investment will be large if we are to have a high-employment income. Even with the most helpful public policy, including a sensible tax program, relaxation of tariff barriers, a moderate wage policy and a gradual relaxation of controls, we may well fail to attain the required level of spending. And if we fail, then a cumulative decline may well set in, so that we shall need all the help we can get from exports. We shall have to rely to some extent both on an expansion of exports and a growth of public investment. To some degree, however, we may be able to choose between an expansion of exports and an expansion of public investment.

Much is to be said for choosing, in so far as we can, development of our export industries. The businessman is much less prejudiced against a rise in exports and an inflow of gold, or the association of more exports with capital lending, than he is against a rise of public debt. Whatever the merits of the case, the fact that the growth of debt is anathema to the businessman is a serious consideration in an economy in which psychological attitudes are of great importance in determining the level of investment and output, no matter how misconceived or mistaken such attitudes are.

It is true that we may export more now and accept payment later (with interest) in increased imports. A long-run policy of relaxation of trade barriers would not only make it possible to export more as a result of large amounts of capital lending, but to be repaid ultimately through the excess of imports over exports. If the capital loans are well scrutinized, as is provided in the Bretton Woods agreements, then it is probable that they will have the effect of building up foreign economies, thus making it possible for other countries to buy more of our goods.

Nor is the argument which is sometimes used in British circles—that if we drive for exports the British economy will be seriously injured—irrefutable. The British, they say, must have exports in order to live, whereas the United States only wants exports in order to have full employment. Many of these foreign critics of our export policy will, therefore, say that the United States should rely on domestic spending and on public investment, and leave the export market to the British. *Actually, there is no necessary conflict between the British and ourselves.* The British are not yet ready to develop a large export market. In the next few years they must rebuild their country and get ready for competition in world markets. In the meantime we shall be developing foreign economies that will make it possible for the British to expand their export trade by from 50 to 100 percent above the 1939 level. When the British once again assume an important place in export markets, we should gradually begin to readjust our economy so as to make it possible for the British to export more and ultimately for us to import more. With a stabilization of exchanges, the removal of extreme trade barriers and the rise of world income associated with the renewal of capital movements, all countries should be able to expand their exports.

Lest what I say here be misunderstood, let me add that the world can absorb large exports from both Britain and this country. For a year or two, or three, the British may be at a disadvantage; but their exports (plus their reduced earnings on capital, shipping, etc.) must pay for their imports. We may increase our exports greatly and especially so if we lend large amounts. It is hoped that these loans will contribute to higher world incomes and increased markets for the United Kingdom and this country. Eventually, however, no matter how high our exports, our imports must exceed them. This is the crucial point; and it worries the British. Are we going to export by means of subsidies provided through loans for which we refuse to accept payment in imports, or are we eventually going to accept an excess of imports?

What of Public Investment? – I am not dismissing the possibility of public investment. We must, in fact, have large amounts of public investment, as I indicate later in this section. I am, however, suggesting that we might yield a little to the fears (which are certainly exaggerated) of those who now oppose public-investment policies. Many will say that public-investment programs yield goods for our use whereas an export policy provides the foreigner with the goods, and there is much truth in this. As a practical matter, however, it is easier to win support for an export policy than for a public-investment policy.

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An educational job must be done here. And the opponents, by misquoting or taking material out of context, do not make this easier. We must show the relation of the debt burden to national income; we must show that an expanding economy can tolerate a growing debt; we must show that the choice is not merely one between growth of public debt and its stability, but rather between grave amounts of unemployment and reduced income, or rising income and public debt. We must show that public investment is used only when private enterprise seriously fails, and do everything possible to stimulate private spending.

Those who argue that the public debt is only a burden on the economy should be reminded of what the economy might have been without the growth of public debt. For example, the country now has $115 billion of deposits and $60 billion of demand deposits. If the banks did not hold $75 billion of public securities, the country would be starved for money. It is this growth of debt which provides the necessary supplies of money (as the banks buy Treasury securities, their deposits expand) and also makes an important contribution to income. How much money income would we have had in the thirties, and also in the five war years, if there had not been this growth of public debt?

What concerns me is not the pros and cons of public investment, but rather our preparedness to spend large sums of money wisely and effectively. For example, the Patton plan, upon the basis of which the Murray bill was first formulated, was that the government should take the responsibility for $50 billion of investment annually. These are tremendous sums in comparison with the relatively small amounts of public investment for which we are as yet in any manner prepared. In the President's recent budget message, he said that by the end of the current fiscal year detailed plans will be ready for about $1.5 billion of federal public works and also that we shall be substantially ready for a billion-dollar highway program. He also told us that plans have been completed, or are in the design stage, for about $3 billion of state and local public works, excluding federal aid to highways. He quite rightly suggests that further plans should be made. This $5-billion total for plans which are by no means completed is certainly most inadequate even in terms of possible public-investment programs of $5-$10 billion *per year*. Numerous estimates seem to suggest that the figure to shoot at—that is, to be ready with—would be approximately $5-$10 billion per year.

And What of Bretton Woods? – Bretton Woods proposes more trade and more employment, and a higher standard of living for the world, and tells us how to go about getting more trade. We want stable but flexible exchanges; we want full employment and high incomes to which our export trade and our capital movements will contribute; we want a renewal of capital movements which will help increase incomes abroad and provide us with more exports during the crucial transitional period when total government spending will decline by $75 billion or thereabouts. We want foreign countries to give up their extreme trade barriers, their exchange control, their multiple-currency arrangements and their tendencies toward competitive debasement. As an inducement we offer help through an International Monetary Fund and an International Bank. With the help of these organizations, countries may be able to pursue high-employment policies and be assured temporary help which will stave off threats of competitive depreciation and give them time to adjust their economies to the requirements of the international situation. Bretton Woods will be a crucial test as to our seriousness of purpose in the field of international and political coöperation.

The key currency approach sponsored by those who oppose the Fund is merely an attempt to destroy what has been done at Bretton Woods. It is an attempt to impose the currency decisions of the United States and Great Britain on the other 42 nations. The party line of those who oppose Bretton Woods is that the administration wants all or nothing. The fact is that the opponents would do away with the Fund entirely and thus destroy all the incentives for exchange stabilization and elimination of factors which impede trade.

The Economists' Committee on the Bretton Woods program polled about 450 economists (all those listed in the American Economic Association Directory as primarily interested in international economic relations, money and banking, business cycles and national economics, and all ex-presidents of the American Economic Association). Approximately half replied, and of these 90 percent approved of the Bretton Woods program. Of the 22 ex-presidents of the AEA, 18 replied; of these, 16 approved and 2 disapproved the program.

Some journalists, opposing the economists' stand on Bretton Woods, have gone all out for the statement of the Bankers' Association committee, which proposes to reject the Fund and thus destroy the weapons which are to be used to obtain a modicum of stability and relaxation of trade barriers. The people may well ask whether the views of the economists of the country are to merit consideration on grounds of technical competence and absence of vested interest or whether they should accept the views of the Bankers' Association committee, which has a strong vested interest and seems to hold that the stabilization of exchanges, the relaxation of trade and exchange barriers, the provision of a higher standard of living and greater employment are merely questions of banking technique.

SEYMOUR E. HARRIS

This is the final article of a series by Dr. Alvin H. Hansen and Dr. Seymour E. Harris under the general title, "The Price of Prosperity." – THE EDITORS

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Behind the Rumanian Crisis

THE CARDINAL QUESTION behind the recent Rumanian crisis is whether the Soviet Union, contrary to the Molotov pledge of April 2, 1944, intervened in Rumania's internal affairs and, if it did, whether such intervention was justified. The answer is not easy because censorship conceals what is going on. The only sources of information are the Soviet-controlled Moscow and Bucharest radios and the rumor factories of Ankara and Berne. Nevertheless, by piecing them into the historical context of the past year, it is possible to form a composite picture of the situation.

At the time of the coup d'état against the fascist regime of Premier Ion Antonescu, on August 23, 1944, no Balkan country was riper for social revolution than Rumania. But the organized Left, after many years of suppression, was extremely weak. An exclusively leftist regime could not have assured such internal stability as was required for the successful prosecution of the war against Germany. For this reason the Soviet Union supported the successive national-unity governments, first headed by General Constantin Sanatescu and, after his fall in December, by General Nicolai Radescu.

It was clear from the start that these administrations, representing a strange melange of feudal reactionaries, conservatives of the old capitalist ruling class and anti-fascist revolutionaries, would not last. Rumania's social conflicts, aggravated by war and unresolved by liberation, were bound to entail radical solutions of which the Sanatescu and Radescu governments were incapable. Moreover, the growing strength of the National Democratic Front (NDF), a coalition of left-wing parties including the Socialists and Communists, was also likely to force a change of government.

The political crisis which, on February 28, led to the fall of the Radescu government, was first revealed by the Premier himself on February 12. Speaking of hostility and resistance to his regime, he declared: "I do not care to stay in the position I am now holding if the country does not wish it." He denounced anti-government demonstrations organized by the NDF and appealed to the people not to let themselves "be duped by those who use you as tools for their own ends."

What Radescu did not reveal was that, toward the end of January, his government had incurred Russian ill will for protesting the forcible recruiting of Rumanian nationals, especially of German ancestry, for labor in the Soviet Union. This protest, it would seem, was opposed by the NDF Ministers in the cabinet who saw an opportunity for forming an exclusively leftist government. There is some evidence that they had Russian backing. Early in January, according to an AP dispatch from Ankara, Gheorghe Gheorghiu-Dej, a member of the NDF and of the Radescu cabinet, and Anna Pauker, a Rumanian Communist leader, had been in Moscow, whence they had returned with the promise that Rumania would get United Nations standing if an NDF government came to power.

Once the NDF had started working against Radescu, it was forcefully supported by the Russian press. On February 22, *Pravda* charged that the Radescu government had

> proved incapable of establishing a stable order in Rumania by democratic means and that, refusing to find a common language with democratic circles in the country, it feels impotent toward the masses of the people and, clinging to power, forms an alliance with recent followers of the Fascist Antonescu. . . . The desire of the wide masses of the people to see a determined democratization of the country, an uncompromising liquidation of all elements of Antonescu's fascist regime and the realization of all necessary reforms, encounters undecisive wavering and even downright anti-democratic policy on the part of the government headed by Prime Minister Radescu.

Having been given a green light from Moscow, the NDF held mass demonstrations on February 24 to force Radescu's resignation. It was then that Radescu made the mistake of having army troops and gendarmes fire on NDF demonstrators. Though the shooting was soon stopped on orders of the Allied Control Commission, Radescu added fuel to the fire by stating, on February 26, that "the agitation of a Communist and anarchist minority, which has no right to the operation of the NDF, threatened to plunge the nation into bloody civil war and into unavailing anarchy." On the same day nine Ministers, in a telegram to King Michael, dissociated themselves from Radescu and demanded the arrest and punishment of those responsible for the shootings of February 24. This move sealed Radescu's fate. He resigned on February 28, a few hours after the arrival of Soviet Foreign Vice Commissar Vishinsky in the Rumanian capital.

Radescu's fall was apparently the result of both domestic dissatisfaction and Russian pressure. While Moscow evidently did not intervene directly, its frown was sufficient to make Radescu's position untenable. Subsequent events seem to support the contention that the purge of fascists under Sanatescu and Radescu had been half-hearted. Placards put up by ARLUS, the Rumanian Association for the Promotion of Good Relations with the Soviet Union, were torn down. On March 5, a Tass dispatch from Bucharest reported that bands of pro-fascist legionnaires, protected by Radescu's Ministry of the Interior, were rioting in the streets of the capital, firing on the homes of democratic leaders and trying to stir up anti-Semitic disturbances. These incidents would indicate that Radescu's fall came none too soon. If the Soviet Union had a hand in bringing about his resignation, its action seems more than justified. If the Russian pressure constituted a form of intervention, it differed from the British intervention in Greece in that it supported the progressive Left rather than the reactionary Right.

HEINZ EULAU

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Washington Notes

Inflation: Just Around the Corner

EVERY DAY the war lasts, inflationary pressure grows. America today is enjoying the greatest boom in history. People don't understand it, indeed parts of it are almost incredible. Corporation profits—*after taxes*—are $10 billion; they were only $8.1 billion in the previous all-time peace boom of 1929. Even with higher taxes they were bigger last year than in 1943. Potential civilian purchasing power is like a rising tide.

You can express it statistically: Excess of public income over goods and services available is now $40 billion; increased savings since Pearl Harbor are $100 billion (now leaping $3 billion a month); currency in circulation is 24 percent over a year ago. And so on. But I prefer to express it another way. Take meat. Can you get meat at the butcher's? It's hard to. But did you know that civilians are eating 17 percent more meat than before the war? It's a fact. Civilian per-capita meat consumption averaged only 136 pounds in 1935-39; in 1944 it averaged 147 pounds. Civilians got 16.3 billion pounds of meat annually in the years 1935-39; 19 billion pounds last year. You and I can't buy meat now largely because millions of civilians are getting it who never could buy it before. (Incidentally, this answers for all time the problem of farm "surpluses": just keep national income high and divide it equitably.)

These and other facts OPA Director Chester Bowles presented recently to the Senate Banking Committee, by means of diagrams and pictographs, in an illustration of the present threat of inflation which can only be called extraordinary. He pointed out that the OPA has only 3,069 investigators to fight inflation, black markets, hoarders and chiselers; while to protect industrial property, private firms employ 212,000 guards. The OPA tried to safeguard consumers by grade-labeling; Congress said no. The OPA tried to freeze clothing manufacturers' lines to those previously sold (to avoid a condition where a couple of new stripes were added and the price boosted $5). Congress said no. Congress earlier fired Leon Henderson; reduced enforcement funds. Despite this and ever accumulating pressure, the price line has been held for 10 consecutive months and is only 1.5 percent higher than when controls started.

The immediate emergency is clothing. Prices here are up 11.6 percent, threatening to upset the whole apple cart. The OPA is trying to cut them back. Yet day after day wavering congressional committees are hearing the pleas, demands, threats of clothing lobbyists. What amazes this correspondent almost more than anything else, after a score of years in Washington, is the failure of consumers—as such—to find more articulate voice, good though some agencies, like the League of Women Voters, are. Here, if anywhere, is the first line of domestic defense. If the war ended next week the danger would only be enhanced: don't forget that 43 percent of the rise in living costs came *after* the Armistice in World War I.

Military authorities are taking careful heed of the chance that desperate Nazis and Japs will use poison gas; chief deterrent is our greater ability to use gas through air power. Moral considerations aside, the military judgment is that gas would have helped us take Iwo Jima.

Despite Yalta, nothing approaching a unified staff council has been established with the Russians. However, much closer coöperation has been achieved.

Optimism over a quick ending of the European war is, of course, at a new high. But this brings a new military headache: the public might as well face it—now. Battle-trained Yanks from Europe are going to be needed in the Pacific, presumably when the direct smash against Japan proper comes. (Chinese manpower, for the most part, will probably stay in China.) Yanks will get to the Pacific via the United States, and military authorities are frankly fearful of the public reaction when, after a brief furlough, they have to start for battle again. Officials argue that if half of their European veterans are discharged after VE-day—particularly if men with the longest service go out first—the army will have to be rebuilt, or a minimum four months lost in regrouping divisions.

Many congressmen are discovering with amazement that the Gannett-sponsored "Twenty-second Amendment," to limit federal income, inheritance and gift taxes, for all time, to 25 percent, has already been approved by 17 state legislatures, or more than half of the 32 required to summon the first constitutional convention in history. The Constitution imposes no time limit, and state ratifications, which began in 1939, can apparently accumulate indefinitely. The proposal is completely vicious. It would aid the rich, restrict federal tax power, force recourse to sales taxes and probably bring inflation, which millionaire Gannett is said to favor. Fortunately the tide of support is ebbing. Many states obviously didn't know what they were doing in endorsing the proposal. Two, Arkansas and Wisconsin, have rescinded their action and in Pennsylvania the Governor "vetoed" it, though whether a convention call once recorded can be rescinded is a nice constitutional question. New York just defeated the proposal. Illinois, Indiana, Massachusetts, Michigan and New Jersey supported it.

Notes.—Confusion in Congress over work-or-fight legislation reflected public uncertainty and many consciences have been harrowed; I set down my own view, in all humility, that sponsors failed at two points: the army did not prove its manpower crisis, and second, calls for further labor controls are almost impossible while corporations are making all-time profits. . . . John Upson Savage, chief engineer of the Bureau of Reclamation, who designed Boulder and Grand Coulee Dams, is back from China with sensational plans to dam the Yangste River; over-all cost might touch a billion, and would do much to start Chinese industrialization; incidentally, Henry Kaiser is interested. . . . The Treasury is giving sympathetic attention to Eccles' proposal for a 100-percent capital-gains tax: Eccles sees the biggest inflation threat in present speculation in real estate, farm land and stocks. . . . As to the Rhine crossing: A cheer for Lieutenant Emmet Burrows, who crosses bridges when he comes to them.

Washington T. R. B.

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International Notes

News from Three Continents

THERE IS some good news from India of Hindu-Moslem collaboration. Bhulabhai Desai, leader of the Congress Party in the Central Legislative Assembly, and Nawabzada Liaquat Ali Khan, deputy leader of the Moslem League in the same legislature, seem to have agreed to form a coalition government. Each party would hold 40 percent of the seats, and the remainder would be divided among the minorities. While no formal change of the existing constitution is envisaged, the British Viceroy will be asked to consent to a "gentleman's agreement" not to exercise his veto powers. Desai has already talked with Lord Wavell, but the results are not yet known. Nothing is likely to happen until the end of the budget session of the Central Legislative Assembly in April. This would give the Viceroy sufficient time to consult the British government.

Now that the question of breaking diplomatic relations with Spain has been safely shelved at the Mexico City conference, General Franco is cockier than ever. On March 3, the Valladolid radio fiercely attacked the decisions of the Crimean Conference and Allied policy in the liberated countries:

> So-called civilized and Christian nations already announce tortures and hardships to which they intend to submit the vanquished enemy and to exploit his riches, industry and commerce. . . . We have savage hordes carrying out atrocities which surpass all threats in subjugated territories. In countries from which the war has already moved away, chaos, terror and misery reign. Men are sentenced to death for the mere fact that they have different ideas, and personal vengeance is the order of the day.

On the following day, a reshuffling of high military leaders brought advancement to two of Spain's most fascist-minded generals. General José Enrique Varela, close associate of Falange ex-chief Ramón Serrano Suñer, both ousted from the cabinet in 1942, was appointed High Commissioner in Spanish Morocco and Commander-in-Chief of the army there. General Augustín Muñoz Grande, former commander of Franco's "Blue Division" which fought against the Russians, whom Moscow has listed as a war criminal, was named Commander-in-Chief of the vital Madrid military region.

One of the juiciest cases of political graft is agitating the Mexican public. Three Mexican congressmen, Pedro Tellez Vargas, Carlos Madrazo and Sacrament Joffre, have been indicted in a federal court for allegedly collecting illegal fees from farmhands for permits necessary to obtain temporary jobs in the United States. Some of the farmhands were charged as high as 150 pesos. But it is not known whether the three congressmen were themselves responsible for the graft, or whether it was worked out independently by subordinates entrusted with the distribution of the permits. All three of the indicted congressmen have comparatively good records.

Here is a report from inside Germany suggestive of things to come. The Gestapo recently arrested a boatman in the harbor of Frankfurt-am-Main. Thereupon the entire crew refused to unload the ship unless their colleague was freed. A Swedish eye-witness tells what subsequently happened:

> When the police tried to intervene, the dockworkers and the crews of nearby ships became belligerent, and finally hundreds of men stopped working and marched in groups to the city. On the main street of Frankfurt, the Zeil, police again tried to break up the crowd, but simultaneously there were hunger riots at the neighboring market in Kloster Street. . . . The two demonstrations were united and suddenly 2,000 people marched down the street and called to soldiers to join them.
>
> A few minutes later, in front of the prison in Eschenheim Street, the crowd demanded the release of political prisoners. When three trucks rolled out filled with SS men armed with machine guns, they were greeted by hisses. The crowd yelled, "Better fight against the Russians and not against us, you black cowards." When machine guns started firing, there was a panic, and an SS man was dragged down from one of the trucks and trampled to death. . . . There were no arrests, and both the police and the SS had to admit that they were helpless in the face of this situation.

While the new Rumanian cabinet of Premier Petre Groza is better than the Radescu government, its Vice Premier, Gheorghe Tatarescu, has an unsavory past. When in December, 1933, the Liberal Prime Minister Duca was assassinated by members of the pro-Nazi Iron Guard, Tatarescu took over and decreed a state of siege, ostensibly to repress and destroy that fascist organization. In fact, exactly the opposite happened. The democratic forces which began to rally against Rumanian fascism were persecuted by the government, while the terrorists were allowed to continue their activities.

Vicente Lombardo Toledano, powerful chief of the Confederation of Latin American Workers, who generally follows the Communist Party line, objected to the use of phrases like "free trade" and "private initiative" in the economic plan submitted to the Inter-American Conference in Mexico City by the United States delegation. He warned that such a policy may make possible domination of Latin America by foreign monopolies and prevent Latin American industrialization by the displacement of native products.

Notes.—Switzerland has legalized both the Nazi and Communist Parties. . . . Four hundred persons are dying of starvation every day in still German-held Rotterdam. . . . Britain has not submitted the name of Count Dino Grandi, Mussolini's Foreign Minister, to the War Crimes Commission. . . . Hungary's Provisional Government has by decree relinquished jurisdiction over the areas acquired from Rumania, Czecho-Slovakia and Yugoslavia during the Axis honeymoon. . . . Portugal has refused to declare war on Germany just for the sake of participating in the San Francisco conference. . . . Ex-members of the rightist French veterans' organization, Croix de Feu, disbanded in 1940 to enable them to rally to the banner of de Gaulle, have set up a new party, Regroupement Republicain. . . . In Milan, protest demonstrations against the irregular supply of food rations assumed such dimensions that the Germans were forced to negotiate with the strike leaders. E. L. P.

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Petrified Youth

IF THERE were more effort than there is to translate Oscar Wilde's "Picture of Dorian Gray" into movie language rather than that of the theatre and the novel, it would probably equal the horror of a dozen of the kind Universal makes with Boris Karloff. The story credits itself with going through the entire dictionary of pleasure, evil and corruption, and the moral consequences of each act are explored thoroughly either in their effect on Dorian Gray, on the people who are ruined by getting close to him, or on the portrait of him which records the corruption of his soul while he remains young and unblemished. Albert Lewin's new movie (with Hurd Hatfield as Dorian and George Sanders as Lord Henry) is a reverent transference that works much less on the disquieting elements of the story than it does on drawing-room talk, Chopin music and a pretty ballad called "Little Yellow Bird" which is sung by Dorian's first sweetheart (Angela Lansbury) very tellingly. Also, the flavor of it is a corny, romantic one that usually turns up in films about pirates or in woodcuts for the collected works of Edgar Allan Poe.

The movie evades most of Dorian's excursions into "the dreadful places near Black Gate Fields," but it does make one trip into one abyss, which is a cute, toylike house of prostitution where a nice old broken-down romantic plays Chopin on a grand piano and the prostitutes talk like Inquiring Reporters. Of all the trouble people have when they get with Dorian the movie only works on Dorian's murder of the artist, Basil Hallward (Lowell Gilmore), who helped Dorian into evil by painting such a good picture of him. This scene is pretty good, but the horror is evaporated by your not being able to locate anything in the shadows, and by a chandelier which swings back and forth hysterically but with unlikely energy. MGM treats Dorian's portrait (painted for the movie by the Albright twins), which I think should be examined very closely, and especially so while in the process of corruption, as it treated the steeplechase in "National Velvet"—mostly by looking at its spectators. It is hard to make out the corruption, because there is so much of it and all of the same value; but the main difficulty is that you don't get to watch it grow. You are given a longer view of it in its original state (painted for the movie by Henrique Medina) and a more satisfactory one, so that the corruption has less weight than it should.

Lewin's treatment has the three-times-removed, fancy quality that MGM treatments generally have, but it does some good work, and has, after all, the Wilde story to work on, which is a more exciting, ingenious, cinematic, confusing and witty one than, say, "A Tree Grows in Brooklyn." The notes in it that go against MGM's grain (its esthetic and moral arguing, or the pleasure Dorian gets out of his sins, or all the moral complexities Wilde attached to Dorian's relationship to his portrait) are played very lightly, if at all, and the ones that go with it (the singing and piano-playing) are made too much of. But my impression is that it gives a fair idea of the Wilde story and is well worth seeing. The movie makes an adequate stab at registering the purity of Dorian's youth by a soft lighting of his face and by Hatfield's attempts at radiance, and it makes an exceptional stab at registering the sweetness and innocence of his sweetheart (Miss Lansbury is very fine). The first change that takes place on the portrait seemed to me a very sensitive, judicious bit of painting, and I was impressed by the use of a butterfly to symbolize Dorian's character falling under Lord Henry's domination. But I think this symbol, and the many others that are used—such as a dagger cleaving a boyhood carving of a heart—are employed as if the audience would have difficulty recognizing them, and as though the movie were duty bound to use symbols, being a work of art.

The attempt seems to be to give the sensation of reading the book rather than looking at a movie, and I think it succeeds to a certain extent, anyway sufficiently to paralyze the movie. The characters talk as though they were reading from the novel, in stiff, fleshless voices, scenes are immobilized and edited so that they look more like book illustrations than movie life, faces are made masklike, and there is a great deal of irritating off-screen narration by Sir Cedric Hardwicke that works in the nature of a lantern-slide lecture.

MANNY FARBER

The Bandwagon

What about the postwar unemployment scare?

There will be no especial difficulty for a few years, but later there may be much trouble. Unemployment is a spiritual and educational problem rather than an economic. Congress cannot prevent unemployment. The churches and school committees of each community will determine the unemployment situation. – *Roger Babson in his syndicated column.*

When the Allies came to Rome, Rabbi Zolli publicly expressed thanks and gratitude for the protection his good and old friend Pope Pius XII had given Rome's Jews, about 50 percent of whom were wiped out. – *From the San Francisco* Chronicle.

Gentlemen, Take a Bow

There are thousands of New Jersey registrants [Mr. Caldwell, at state Selective Service headquarters, said] in 2-A (F), such as milk-wagon drivers, laundry workers and others in comparatively humble positions which contribute to maintaining the civilian economy. For physical reasons they cannot bear arms, he said, but the Selective Service view is that they are more useful than florists, bartenders or bums. – *From the New York* Herald Tribune.

Politics-as-Usual

At Atlantic City the Council of UNRRA resolved that at no time should relief and rehabilitation supplies be used as a political weapon. However, the military and political authorities prevented UNRRA from testing this resolution in practice. They did the job themselves. When the Pierlot government of Belgium was on the point of collapse, SHAEF hurriedly granted extra allocations of fats to support the government against the critics. During his visit to Italy last autumn, the Prime Minister pressed for an increase in the Italian bread ration. That was at the time when the Italian votes in America had to be taken into consideration. Soon after the American election the rations were again reduced. – *From "UNRRA—Story of a Failure," by J. R. Crawford, in the London* Tribune, *a weekly magazine.*

Our readers are invited to contribute to this column; $1 will be paid for each item used. Address Bandwagon, care of the New Republic. *Please enclose the original clipping.* – THE EDITORS

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Correspondence

Progressives Are Organizing

SIR: Some time ago you stressed the "Progressives Must Organize" theme in an editorial. Later you published a very illuminating letter from the Independent Voters of Illinois. Both of these sufficiently impressed several of us in the community who had considered organizing to take action. The result is the Independent Voters of South Pasadena, organized along local-affairs, state, national and international lines.

We wish to thank the *New Republic* for supplying the "push." We also hope that other groups will act similarly and believe that your publication can do much to start more of them.

We realize that there is nothing new about this move of ours, which is quite natural in a democratic society, but we are similarly aware of the impotence of the individual as a political unit and are therefore convinced that group action with a common purpose can help to keep our democracy firm.

LESLIE BAIRD
Executive Committee,
South Pasadena, Calif. Independent Voters of South Pasadena

Clinical Psychology and Anti-Semitism

SIR: It is gratifying to see the *New Republic* plugging at an old problem in the editorial paragraph, "Anti-Semitism Again" (February 19). While anti-Semitism is no new phenomenon in the medical profession, it is disheartening indeed to find it cropping up in a relatively new field. I have reference to the first issue of the new *Journal of Clinical Psychology* (January, 1945), which contains an unsigned editorial of twenty pages, the intent of which seems to be not only to announce the policy of the journal, but also to lay a foundation for developing clinical psychology into a distinct professional field with status equivalent to that of medicine or dentistry.

In discussing the selection of professional students, the following remarks are made (pp. 12-13):

> Scientific methods of student selection are an accepted part of medical education where in addition to scholastic aptitude careful attention is given to personality and emotional stability with elimination of those candidates whose total personality does not fit them for a professional career. . . . A further practical problem of importance in the selection of students involves the avoidance of undue representation of any one racial group among those accepted for training. Perhaps because of long racial experience with suffering and personality problems, certain groups of students show an unusual interest and propensity for psychological science which has both favorable and disadvantageous aspects. While disclaiming racial intolerance, it nevertheless seems unwise to allow any one group to dominate or take over any clinical specialty as has occurred in several instances. The importance of clinical psychology is so great for the total population that the profession should not be exploited in the interests of any one group in such manner that the public acceptance of the whole program is jeopardized.

One can hardly agree with the viewpoint which upholds the selection techniques of medical schools as a paragon of disinterested application of scientific method; but the other implications are far more sinister. Every superior man rejected in favor of an inferior man because of this "racial" policy will be a slap in the face of that same society which, according to this editorial, so urgently needs the services of clinical psychology. From an outsider's viewpoint, it would seem that a prerequisite to the demand for professional status is the elimination of sociopathic racial complexes in those who propose to treat the mental ills of others.

Aberdeen, Md. DUDLEY DUNCAN

Radio's Misuse of the Air

SIR: I was interested to learn from "Listener," in your February 26 issue, of some of the efforts on foot to limit the misuse of radio by commercial advertising. William Benton's "Subscription Radio" in particular deserves the support of outraged thousands. Would it be practical to suggest a letter-writing campaign directed at the proper parties in the FCC, urging it to grant the necessary channels for an experiment in commercial-free broadcasting?

Here, in the small community in which I am stationed, where radio should fulfill a large function, since other forms of recreation are lacking, the stultifying effect of frequent commercials is far more pernicious. Your article served to bolster my sagging hope of ever seeing the situation corrected.

Monroe, La. ARMY CORPORAL

From The New Republic Mail Bag

B. Gallagher, of New York City, argues with Heinz Eulau's statement, in his article on "World Labor and the AFL" [*New Republic*, February 26] that coöperation with Russia in the World Trade Union Conference would serve to make "the free-trade-union idea familiar to the peoples of the Soviet Union." Mr. Gallagher feels that the idea of free trade unions is completely incompatible with the "closed economy" of the USSR.

Support of the Mahoney-Clancy Rehabilitation Act now pending before the New York State legislature is urged by Vocational Foundation, Inc., of 122 East Twenty-second Street, New York City 10. The Act provides for removal of the disabilities to which a person convicted of crimes is liable—such as being barred from voting, from jury service, from obtaining licenses and permits necessary for a trade or profession—if the person holds a Certificate of Rehabilitation, which would be issued only upon careful investigation. Vocational Foundation feels this is really a crime prevention measure, since it would make it possible for a convicted offender to "go straight" and would provide an inducement for doing so.

A list of all 16mm. and 35mm. educational sound films of the United States and other United Nations, which are available to non-commercial and non-theatrical users, has been compiled by the Free World Association of Hollywood. The list may be obtained free of charge from the association headquarters, 213-14 Taft Building, Hollywood 28, California.

The Yiddish Writers' Union calls our attention to the seventy-fifth anniversary, in 1945, of the Yiddish press in America. From a modest beginning in 1870, in the form of a small weekly financed by Horace Greeley, the Yiddish press has grown into a powerful factor in both American and Jewish life.

New Republic readers in the Los Angeles area will be interested to learn of the formation of a National Citizens' Political Action Committee in that city. Mrs. William Dieterle is the chairman, and headquarters are at 954 South La Brea Boulevard, Los Angeles 36, California.

Publication of a new magazine, the *Washington Scientist*, for men and women engaged in scientific work in the nation's capital, was recently announced. Edited by Ware Cattell, the first issue of the monthly features an article by Henry A. Wallace on "The Scientific Work of the United States Government."

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Books in Review

Emporia Goes to Moscow

WILLIAM L. WHITE, editor of the Emporia *Gazette*, spent six weeks in Russia last summer as a (self-invited) member of the party of Eric Johnston. He has written a book[1] about it describing everything he saw and a number of things he didn't see. He repeats all the obvious surface impressions, ignoring the fact that many thousands of other Americans have visited Russia in the past twenty years, and scores of them (including this reviewer) have written articles or books, each one full of these same surface impressions. But Bill White is not so naïve as he seems; his is in fact a calculated naïveté, a literary device to achieve a desired aim.

Bill White doesn't like Russia, and it is impossible for him, even when he makes a sincere effort, to imagine that the Russians like it. He is opposed to communism, both in theory and in practice—if what you see in Russia can be called communism in practice. A good son of Emporia, Kansas, he holds everything up to the Emporia yardstick, and most of the time, he is gravely disappointed. It is true that he has lived in New York and traveled widely in many countries; he is not parochial in the sense of never having been anywhere else than his native town, merely in that it is hard for him to imagine anyone's being satisfied with a sort of life which would not satisfy him. Not only does he expect the rest of the world to behave, on the whole, like Emporia; he seems to me to ignore the historical facts which explain a great deal of un-Emporia-like behavior.

In Russia Bill White got a bad case of museum feet and both mental and physical indigestion. The Russians, making one of their characteristic mistakes, worked the visitors almost to death with sight-seeing and public hospitality, stuffing them three or four times a day with banquets of vodka, champagne, sausage and smoked fish. White found Russia drab and dull, the people badly clothed, the stores empty. He visited dirty factories with broken floors, where he and Eric Johnston hastily estimated that production per worker was only one-third or one-fifth that in the United States. (Elsewhere in Russia, however, he says that output was as good as our own; he might have mentioned also the fact that in many industries American productivity leads the world, so that Great Britain or Germany would likewise suffer from the comparison.)

He saw precious materials like fire brick and pipe being ruined by being thrown out of railway cars because somebody in Moscow had ordered that the cars be unloaded in a hurry. He found the speed-up being glorified into the Stakhanov system, and piecework almost universal. He professed to be surprised to find there are class distinctions in Russia and that factory managers, for example, live about as well, under a different system, as factory managers in the United States. He thought the press censorship was harsh and stupid, and was annoyed to be shepherded remorselessly by the NKVD, which would not allow him to talk to anybody in private. With crusading zeal, he kept telling the Russians that they did not have political liberty, or much economic liberty either, that communism is a poor system and that he greatly prefers the United States. The Russians as a rule smiled blandly and offered him more caviar and champagne, of which he already had a surfeit.

Because he dislikes communism so bitterly, he attributed to it some things which may be explained by other causes. It is of course true that there is great poverty in Russia, that people are shabby, buildings drab, food monotonous and trains overcrowded. But in non-communist Great Britain, in the sixth winter of the war, people are also shabby, buildings drab, food monotonous and trains overcrowded. My guess is that Bill White could have written with equal disapproval of non-communist China, if he had happened to go there. True, Russia was in poverty even before the war, but here again, some allowance might be made for the fact that in 1917 the country was completely prostrate, that it then underwent a civil war, which was partly a foreign war, and suffered many years of ostracism by the rest of the world. Russia has tried in about two decades to turn a nation of illiterate peasants into a literate country with a high degree of industrialization, while preparing—and preparing very well indeed, as it now turns out—for another foreign invasion which she had been expecting for twenty years, and which finally came in 1941. Many of those who, like myself, visited Russia in the early thirties, did not realize at the time that she was in the middle of a war economy. Much of the dirt and shabbiness which we saw and deplored at that time can be seen today in all countries that are at war, just because of that fact. And finally, Bill White's anger with Russia for not living up to the Emporia standards of political liberty should be qualified, more than he qualifies it, by the fact that Russia has never had political liberty in the past, has no such tradition, has none of that ingrained sense about it which students of culture now know to be of paramount importance in setting patterns of behavior.

Although Bill White is usually one of the world's best reporters, some of his statements in this book are hard to believe or mutually self-contradictory. He says (through hearsay) that there are 13 to 15 million political prisoners who are completely terrorized, yet adds the curious statement that they work only 10 percent of the time they are supposed to. Writing before the Russians' winter offensive began, he reports that in the drive toward Warsaw last summer they used up their available manpower, including boys, cripples and men with recent wounds. It is hard to believe that the great armies which have just marched across Poland into Germany are composed entirely of this year's recruits. He says nobody can move about in Russia without government permission and then adds that many inhabitants of Moscow ran away when the Germans were coming, and have subsequently been derided for cowardice by those who stayed. He says wounded men go back from

[1] Report on the Russians, by W. L. White. New York: Harcourt, Brace and Company. 309 pages. $2.50.

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the front in slow, horse-drawn vehicles because the Russians lose interest in you once you are no longer an effective fighting unit; but this does not agree with the extraordinary statistics about the number of wounded—90 percent—who are restored to health. White remarks that Americans in Russia have stopped going out with Russian girls because so many of the latter are punished for associating with foreigners; it is hard to believe that these girls would not be as familiar with the danger from the beginning as the Americans are after living in Russia a few weeks or months.

In regard to the famous case of the 10,000 Polish officers who were murdered in the Katyn Forest, either by the Germans or the Russians, White gives at great length all the arguments in favor of the theory that they were killed by the Russians, and no evidence whatever on the other side. Then, with a poker face, he announces that the evidence is overwhelming that the Germans did it. Anyone who has no other information on the subject than this book is bound to believe that the Russians must certainly be guilty, and that White in his final verdict was under some sort of pressure—or had suddenly gone off his head.

Perhaps the most serious passage in the book, and the only new thing of importance in it, is White's story of a trip to an American airfield in Russia to meet a group of United States shuttle bombers. This was the notorious occasion when the Germans flew over, destroyed a lot of American bombers on the ground, and killed a number of people. White writes a vivid description of the long terror of the attack. He says the Germans' success was due to two things: the Russians have no radar, and they had refused to let us protect our big bombers with night fighters, although they apparently had none of their own. It is hard to see why the Russians should have no radar, unless the American and British governments have refused to give it to them, as we have refused, I believe, to give the Norden bombsight to anybody. He adds that within a week after this incident, Stalin personally ordered that American fighter-plane protection be installed.

(A Moscow correspondent for the Canadian Broadcasting Company, Mr. R. A. Davies, in a recent article in *Soviet Russia Today*, accuses White of a serious omission in this story. Davies says that during the raid the Russians "blocked off the field, prevented American airmen from going to their machines and instead sent their own fire-fighting squads made up of women. [As a result] 10 times as many Russian girls were killed saving American machines as American airmen. You were there, Bill, you knew of this—all of us talked of it after the raid—and yet you made no mention of this heroism.")

Davies also charges White with inaccuracies in his two articles in the *Reader's Digest*, which printed in advance of publication a little more than half of the book. (In his preface White admits that there were some mistakes in the *Reader's Digest* articles, and says they have been corrected.) Davies thinks it is nonsense for White to say that the drab and empty shops in Moscow are the result of communism; they are the result of the wartime absence of civilian consumption goods. He denies the White charge that correspondents are bottled up in Moscow and permitted to see nothing. He says no anthropologist would agree with White that malnutrition has made the Russians small and "poor material." He repudiates White's charge that the NKVD won't let foreigners talk to Russians privately. White says the Russian leaders are not pleased with the "wave of internationalism and good feeling toward the Western world among their people"; Davies replies that "this is not true. One is constantly impressed by the desire of the Russian leaders to foster good will." When White reports, "You see absolutely no men between sixteen and forty at the factory benches," Davies answers that "this is just silly; thousands can be seen in any large plant." He flatly contradicts White on the statement that "the average Russian doctor has less training than a good American nurse"; Davies answers that the Russians "have doctors enough to care for their enormous casualties, to return to the front 90 percent of their wounded, to prevent outbreaks of epidemics, to overcome the terrible diseases, the inheritance of the German occupation. Untrained doctors could not have done this."

Bill White is a magnificent reporter when his emotions are not involved, or are involved sympathetically, as they were in *They Were Expendable*, *Queens Die Proudly* and *Journey for Margaret*. But in this case, in the guise of a reporter, he has acted as prosecuting attorney. He has done a piece of special pleading which, especially in the pages of the *Reader's Digest*, most of whose nine or ten million readers have little means of checking his accuracy, may do substantial harm. With his political philosophy, no honest American democrat can quarrel. Bill White opposes communism and dictatorship, wants political freedom, fears the danger of unlimited bureaucracy; so do I. But the net effect of his book, it seems to me, can only be to hurt the cause to which he is supposedly pledged: an increase in political liberties in Russia. Its influence, in so far as it has any, will be to drive the Russians, who are already pathologically distrustful of foreigners, still more in upon themselves. If it affects the lot of political prisoners at all, it will make their lot worse. Davies says, and may well be right, that White has made harder the work of every foreign correspondent in Moscow.

This book must also be considered in its relation to the war with Germany and Japan. Hitler's one remaining hope is to split the Allies; I don't think he has much chance of succeeding, but it is important that those concerned for victory in this war should not help him. The Japanese war lords are hoping beyond everything else that when the European conflict is ended, Russia can somehow be prevented from entering the Oriental phase of the struggle. Whatever influence Bill White possesses he throws at this moment into the wrong side of the ledger. This is not to say that the Russians should be immune to criticism. Improper acts of their government should be resisted as we resist those of every other government, including our own. But the vehemence, the one-sidedness, the emotional overtones of Bill White's book go far beyond the attitude either of a competent journalist or a devoted democrat. They suggest that the author has some inward feeling of insecurity, as though he thought Emporia and the *Gazette* were somehow threatened by communism. Surely Bill White hasn't been reading and believing Hearst's hysterical voodoo! America is in no danger from communism, Bill; America and Emporia are in danger of the harm that may follow if we turn our backs on the struggles and the hopes of the plain people all over the world. **BRUCE BLIVEN**

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The Artist as a Young Man

Maiden Voyage, by Denton Welch. New York: L. B. Fischer. 303 pages. $2.75.

IT IS RARE, these days, to read a new author and feel impatient to see his next book. *Maiden Voyage* has nothing to do with war. It's an autobiography, written, I'm told, when the author was nineteen, and published in England two or three years ago.

I opened it with the gravest misgivings. Immediately inside its cover are some rather dreary drawings of a parrot perched on a twig and some other ornate squiggles; over the page there's a wistful, good-looking boy with a candle; on the next a decorated dedication to Miss Edith Sitwell, and then, before you finally reach Chapter 1, there's a Foreword by (guess!) Miss Edith Sitwell. Miss Sitwell's words, thank Heaven, are flowerless, few and forthright; and it's regrettable that the publishers, instead of quoting her, should have called Mr. Welch on the blurb "a Personality—as phosphorescent a Personality as ever transformed facts into enchantment," and other ugly names. Mr. Welch, as Miss Sitwell says, is "a born writer." That's quite enough.

When he was sixteen, Denton Welch did an unusual thing: he ran away from his English public school; or rather "Instead of taking the train to school," he took "a bus in the opposite direction." And he did so for the best reason in the world: he had "always hated it." For a writer, I cannot imagine a better, more hopeful start.

I've often thought, while at school and since, that the chief reason why more boys don't run away from those institutions is because they know deep down in themselves that sooner or later they'll be brought back. (It almost never occurs to an English public-school boy that he might earn his living.) That is just what happened to Mr. Welch. So far, no miracle comes into his life. His account of the few days he spent "on the run," drawn irresistibly by association to familiar things and places—Salisbury Cathedral, expensive food, the clean hotel—and finally, when his money runs out, to people he had known as a child, makes fascinating reading. A less good, less honest writer would be bound to have fallen into the temptation of dramatizing himself, falsifying facts, in such a situation. Mr. Welch never does. You believe every word, every sensation: the fear, the futility and the inevitability of the dismal return to the dismal school clothes which "make you concentrate inside yourself, away from your surroundings." Young Welch "wanted to wear soft, loose, bright clothes with no hat at all." When you see an Englishman "with no hat at all," you may be pretty sure he has been to a public school and that it was no pleasure.

Then, at just the right moment, the miracle comes into Mr. Welch's life. He has a father, a widower living in China, who wants his son to come and join him. The boy can't believe it's true, but it is. The boy makes the most of this truth. In the account of his stay in China, there are scenes which you feel while reading you will always remember. He has a most remarkable capacity for selection and choice of words. He knows instinctively how little, and just what, is needed to create atmosphere and character; how to transform an ordinary situation into a revelation. Once, on sudden impulse, which in itself seems a mark of genius, he asks a British soldier home to tea in his father's apartment. The soldier, meeting the boy for the first time, is embarrassed, but comes. He doesn't like China tea, so the boy offers him his father's whisky. "Coo," says the soldier, "you'll cop it one of these days—playing about with the old man's drink." The soldier gets drunk and tries to teach the boy how to hold a cigarette in his mouth. "Put it in the corner," he ordered. "Don't have it sticking out like a bloody maypole." In this scene is revealed not only the character of a man, but a picture of the two main classes of English society. You expect, too, the father to come home and catch them. He doesn't, and you don't feel let down—because you know it's true. This is typical of the whole book. There runs through it the very breath of the Armistice Years—continuous drama without climax, an uncanny element of suspense, a Kafkaesque kind of fear. It's as if—having lived only during those years, waiting for the Great Climax—Mr. Welch had all his days been absorbing the virus of impending disaster. But he's not afraid. When he sees a severed, fly-infested head of a Chinese lying on the road, he runs. But he comes back, stares at it, hypnotized. Curiosity conquers fear. Mr. Welch is that rare being—a balanced combination of the tough and the esthete. And he can write.

JAMES STERN

New York's Embattled Farmers

Tin Horns and Calico, by Henry Christman. New York: Henry Holt and Company. 377 pages. $3.50.

TO JAMES FENIMORE COOPER, the anti-rent movement seemed so important and so alarming that he devoted a trilogy of novels to an attack upon it. (*Satanstoe*, the first of the trilogy, is an admirable "chronicle of manners," as Cooper called it, and a very readable book into the bargain, but the closer he came to his own times, the more didactic Cooper grew, and *The Redskins* is little more than a series of diatribes.) Despite contemporary excitement, historians have paid scant attention to the movement, and before *Tin Horns and Calico* appeared, there was no satisfactory account of what happened. The quality of Mr. Christman's research might well cause the professional historians to blush, for he has managed to unearth much material, both in print and in manuscript, that has never before been used. He is able not only to trace the campaigns of the anti-rent war but also to bring to life a group of heroic figures—as little like the anti-renters in *The Redskins* as can well be imagined.

The leasehold system seems to have existed at the outset in all the colonies, but it was quickly abolished in New England, and after the Revolution it was to be found on an important scale only in upstate New York. As Irving Mark shows in his *Agrarian Conflicts in Colonial New York*, the system met with considerable resistance all through the eighteenth century. Unfortunately, in a way, for the tenants, the great landlords took the side of independence, and were able to preserve their estates, but trouble lay ahead. In Rensselaerwyck, largest of the manors, Stephen van Rensselaer, the "good patroon," was inclined to be lenient, but his leniency had the effect of aggravating the problem when, after his death in 1839, his sons attempted to collect the back rents. Revolt began in Albany County's Helder-

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bergs, spread to the neighboring counties and continued sporadically for six or seven years.

It is not always easy to follow Mr. Christman as his narrative shifts from one area to another, each with its own set of characters, but the general pattern of the movement is perfectly clear. It began, after the tenants' petitions had been ignored by the patroon, with the spontaneous use of force to prevent sheriffs' sales. Governor Seward suppressed this uprising, but at the same time he recommended legislative action to relieve the tenants. The revolt simmered for four years, and during this period it acquired a body of ideas. Thomas Devyr, a theoretical agrarian who had participated in the Chartist movement in England, came up from New York City to offer his services to the farmers. He was fortunate in finding that one of the principal leaders, Dr. Smith A. Boughton, was a man of broad humanitarian sympathies, and together, by both the printed and the spoken word, they prepared the tenants for action.

By 1844 a twofold organization had developed: an educational and political apparatus of considerable effectiveness and a disciplined "underground" body—the Indians—to prevent the dispossession of tenants. Politicians, from the governor down to the lowliest constable, were hesitant about provoking violence, and the farmers were increasingly successful in both kinds of action. They were so successful, indeed, in the elections of 1844 that the frightened landlords resolved to force the issue. Dr. Boughton was arrested in Columbia County, and while he was being held for trial, rumors of a tenant revolution were disseminated and troops were sent to Hudson. Then the death of a deputy sheriff in Delaware County provided an opportunity for a real reign of terror, and out of nearly a hundred men indicted for murder, two were sentenced to be hanged, four were sentenced to life imprisonment, nine were given terms of from two to ten years, and dozens were fined.

This demonstration of the landlords' strength in the courts led to the disbanding of the Indians, but the farmers still had political power, and their victories in 1845 and 1846 resulted in legislation that virtually ended the leasehold system. In this phase of the movement there was the inevitable struggle between Thomas Devyr, the radical theoretician, and Ira Harris, a practical politician who had built his career on support of the tenants' cause. It was Harris who won, and Devyr returned to New York City a disappointed man. Instead of the agrarian reforms Devyr had worked for, there was compromise, but the landlords were beaten, and, as Mr. Christman points out, the anti-rent movement led directly to the campaign for a homestead act.

It is good that the story of the tenants' war has at last been so fully and so ably told, for it has both intrinsic importance and symbolic significance. Some ninety years later much of the pattern of the anti-rent struggles was reproduced in the farm-holiday battles in Iowa and South Dakota, and there are parallels in recent labor history as well. I have emphasized the general pattern, for it is as a study of the process of social struggle that *Tin Horns and Calico* has greatest value. It is only fair to say, however, that the story is a lively one and that Mr. Christman has caught a great deal of its color. If he had done nothing else, he would deserve our thanks for having introduced us to such men as Thomas Devyr, Alvan Bovay, William Brisbane and Smith Boughton.

GRANVILLE HICKS

Boy Wonder

The Young Jefferson: 1743-1789, by Claude G. Bowers. Boston: Houghton Mifflin Company. 544 pages. $3.75.

EARLY IN 1782 the Congress of the American states under the Articles of Confederation had before it two plans for a permanent monetary system. One of these was from Robert Morris, who is remembered as the financier of the American Revolution. A merchant, banker and real-estate owner who had made himself one of the richest men in America, Morris was accounted a very practical soul, and he was just the sort that sober conservatives like to trust with affairs of state, particularly when finance is involved. After the manner of his kind, Morris had an affectionate regard for traditional institutions, so he had designed his currency system to be convertible without the use of fractions into the various existing currency systems of practically all the states. He thus emerged with a basic unit which was to be equal to the 1440th part of a dollar. For the common man the use of this currency would have been hopelessly cumbersome. A loaf of bread would have cost 72 units, a pound of butter 288 units. The public debt would have been represented by twelve figures, or 115,200,000,000 units.

The other plan was Thomas Jefferson's. By repute Jefferson was not the sort of man to vie with Morris in such matters. Although he had had many years of experience in public affairs, he was believed not to know anything about money or finance. His business experience had been substantially confined to the management of his own plantation. He was known to be a reformer, and was widely thought to be a theorist and a visionary. But Jefferson's plan, which was based on the dollar unit and the decimal system, was so superior to Morris' that it was adopted without hesitation by Congress and has been used ever since.

There is, of course, a joker in all this. Jefferson's reputation as a dreamer was not precisely justified. He was, as Professor Gilbert Chinard, Albert Jay Nock and other Jefferson students have emphasized, a man of a preëminently practical turn of mind, whose variety of accomplishments in the realm of everyday living can be matched by Franklin alone among Americans. Mr. Bowers' book portrays the Virginian during the early part of his life before the drama of political conflict tempts the biographer to neglect Jefferson's great talent for living. This book is about Jefferson the college student, the revolutionist, the Virginia reformer and the diplomat; it is also about the Jefferson of the fiddle and the drawing board.

Those who have read *Jefferson and Hamilton* and *Jefferson in Power* will know what to expect from this final volume of Mr. Bowers' triptych: the warm, ideologically vague, but faithful partisanship for the democratic side, the easy-going narrative, plushy prose and often repetitious characterizations, the search for tension and conflict. This volume, to be sure, is not so exciting as its predecessors. Mr. Bowers is at his best when he is picturing a stark struggle between Good and Evil, and his passions are not as much aroused by the fight over the Virginia reforms or the issues of the Revolution as they are over the dastardly machinations of the Federalists. Within the limits of his particular medium, which is long on romance and the merely personal, and somewhat short on sharp historical insight, Mr. Bowers

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has, however, done a fairly good job; certainly Jefferson's fame does not suffer by having our attention focused again and again on his brilliant early career.

In one important respect serious readers will notice that Mr. Bowers has shirked his task. During the first forty-six years of his life Jefferson formulated the political and social philosophy that governed his behavior during the great struggles under the Constitution. Mr. Bowers tells us very little about the manner in which Jefferson's mind was shaped by his experiences and his reading. This task was better done by Mrs. Marie Kimball in a study of Jefferson's early career which was published two years ago. There is still an urgent need for a first-rate historical study of the Enlightenment in Virginia which will explain in full and convincing detail how some of the most liberal thought of the eighteenth century was to be found among the slave-masters of the Old Dominion. RICHARD HOFSTADTER

Miss Stein's Battle

Wars I Have Seen, by Gertrude Stein. New York: Random House. 259 pages. $2.50.

Out of the First World War there came a great American book, *The Enormous Room*, by E. E. Cummings. It had been written in a French prison. Here is a book written in a more enormous room, in the prison that was France during these years. Miss Stein's narrative of her experiences is beautiful and very moving in parts, with many marvelous simple stories. She is at her best when she creates an atmosphere of terror by little unpretentious strokes. Since "it is very funny the way everybody and anybody may feel about anything," we need not wonder to find that many funny things are also said by Miss Stein, who is not just anybody, about France and the war, which are not just anything. Sometimes we find just small talk. Nevertheless some things are said, many little things that are right, some little things that are half right, and some great things that are wrong.

Miss Stein portrays confusion: "That is that which makes a war." Undoubtedly much of this confusion really existed, probably much of it existed only in her own mind. That is what a war makes. She says she was nearly French because she had so many points of view; on the contrary these many points of view caused her to drift away from the French spirit many times. She came nearest to it when she simply rejoiced in the victories of the Americans.

She saw many collaborationists, Bernard Fay and others, all those who did not know whom they had to fear more, the Russians, the British or the Germans. Were there really so many who admired the Germans? She says the middle classes were collaborationists. But there were in every class men whose ideas were straight and some men whose ideas were wavering and crooked—the bitter and discouraged *ratés* and others. That war was not an international civil war, as has been said. The name of de Gaulle is curiously absent from the book, although Miss Stein mentions seeing the FFI cars with the Cross of Lorraine. She did not hear the radio from London, did not care to hear it, and was thus deprived of one of the important elements in the life of the average Frenchman.

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She gives as reasons for praising the armistice "in the first place" that "it was more comfortable to us, who were here," and second, that the winning of the war was thus promoted. The last is certainly debatable. The following fantastic passage is almost unbelievable in its naïveté: "Pétain went up and flew the French flag upon the top of the city hall of Paris, and had a triumphal entry into his capital and, and you see the woman at Aix is right they the occupants are phantoms otherwise how could it have happened. . . . Pétain's going to Paris was really wonderful so simple so natural so complete and extraordinary, it was all that . . . it is like Verdun again it is complete and incomparable."

However, it is certain that Miss Stein does not like the collaborationists and that she does like the maquis. She knows some people who think that all maquis are terrorists and evil-doers. (I met not so many months ago an American diplomat who told the same story). Only old grumblers and decayed aristocrats think like that, she says. She saw the courage of the young men who had to decide for themselves at eighteen or nineteen whether to go to Germany as workers or to flee. Practically unarmed, inferior in numbers, they fought without fear. And in '44 they begin to police the country and although they requisition too many cars, it is all "very French and easy. . . . Everybody is pleased." The French are not very revengeful, she says.

And she does not like the Germans: we hear of the French farmer who explains, "It is Hitler but it is not Hitler. They are always choosing someone to lead them in a direction where they do not want to go." Miss Stein seems satisfied with this psychological anomaly. And yet according to her, the Germans have a strong will to destroy. They are cruel, sadistic, she says, "to make themselves feel stronger," nearly not human, rather dead than alive. "They dream fancy-tales where everything is as it was or was not." They believe what they are supposed to believe. She uses the word "Germans," not "Nazis," showing thus an art of non-delusion, which perhaps in part she borrowed from the French peasants.

The apparent naïve improfundity of Gertrude Stein's writing does not always hide profundity. To fall into her style of writing, there are here things which are neither pleasing nor unpleasing, but also things which are more unpleasing than things which are neither pleasing nor unpleasing —for example, when she says the Jews, having an instinct for publicity, have a strong tendency to be persecuted.

The reason for this war, according to Miss Stein, is the need for hastening the slow death of the nineteenth century, a century which she characterizes as one of evolution, prayers, Esperanto, climbing, eating, superstition, realism, science and progress. The twentieth century, to which only America belongs up to now, is one of pessimism, simplicity, things just happening and Ford. We wonder what significance all this pseudo-thought of hers can have. Where is the nineteenth century which has to be killed? Not in France, she says, nor in America, but in Germany, which is nevertheless in the Middle Ages. England is in the nineteenth century, we find, but is not aware of it. Furthermore all Europe is in the Middle Ages, or in the boyhood of mankind, because we are in a war. And Miss Stein says, "What difference between life and war? There is none." Perhaps she is in the age of the Pre-Socratics with Heraclitus, the

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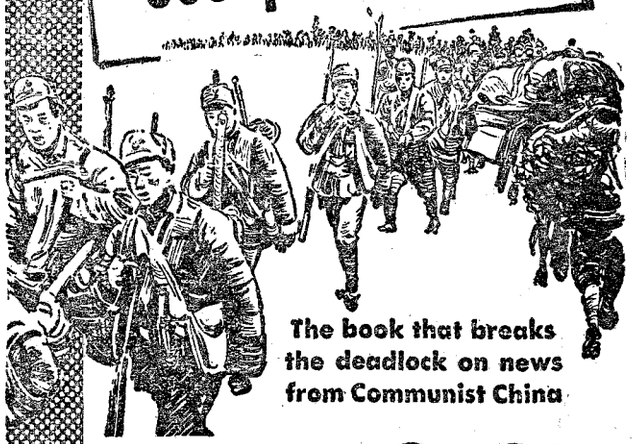

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father of flux and reflux and eternal recurrence, or rather she is a Heraclitean in the nineteenth century. Like many of the intelligentsia of the dying nineteenth century, she is too intelligent and not intelligent enough. JEAN WAHL

A Reader's List

WHEN THE FRENCH WERE HERE, by Stephen Bonsal (Doubleday, Doran, $3). A pleasant, old-fashioned narrative history of the military and social aspects of French aid in the American Revolution, which traces the exploits, military and social, of the French troops from Newport to Yorktown. Primarily for Francophiles and lovers of Revolutionary history.

PLANNING No. 230. Government Information Services (Political and Economic Planning. Available through the *New Republic*. 25 cents). The extensive development of government activities, says PEP, has created a new state function—the official information service. This broadsheet evaluates the operations and future of British techniques for disseminating official propaganda. When a democratic government, the editors remark, begins to participate actively in economic and social affairs it must make its purposes clearly known to its citizens; the people have a right to full and simple explanations of what the administration proposes to do. The broadsheet presents a terse but adequately detailed description of the work of the Ministry of Information, and as usual, criticism is not spared. The editors are aware that an information bureau can become an instrument of coercion, yet they feel certain that an alert Parliament will provide sufficient barriers to dictatorial measures. PEP has here touched a crucial point in the democracies' future; the experience of the totalitarian nations is proof of that.

HOME IN THE WEST: An Inquiry Into My Origins, by Harvey Fergusson (Duell, Sloan and Pearce, $2.75). There is little one can say about the personality of Mr. Harvey Fergusson that he has not repeatedly said in this quiet-mannered, candid study of himself as a child, adolescent and young man. "Serene, detached, sensitive" are adjectives that rise to mind; so are "inhibited, frustrated, solitary." As a writer, Mr. Fergusson is intentionally and instinctively simple, poetically concerned with the real purposes of life, and full of leavening, unspiteful humor.

Crime and Punishment

OBSEQUIES AT OXFORD, by Edmund Crispin (Lippincott, $2). Robert Warner, English matinee idol, and his company come to Oxford to rehearse his new play, and three days later Yseut Haskell, bit player and bitch on wheels, is found dead. Suicide, say the police. Murder, says Gervase Fen, Oxford professor of English Language and Literature—and he proves it. If young (he is 22) Mr. Crispin's range of literary allusion doesn't overpower you, you may enjoy the Oxford setting and some fairly unusual characters.

TOO MANY SUSPECTS, by John Rhode (Dodd, Mead, $2). When Scotland Yard's Inspector Jimmy Waghorn starts investigating the Fransham murder case, he is convinced that Charles Fransham introduced the poison into the stuffed marrow ("vegetable duck" to the British) which caused the sudden death of his wife. But Dr. Priestley succeeds in needling Jimmy into looking farther afield for the criminal. The result makes you rub your eyes in these lean days of the detective story: a neat and ingenious job of pure detection.

E. H.

THE POSTWAR WORLD

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